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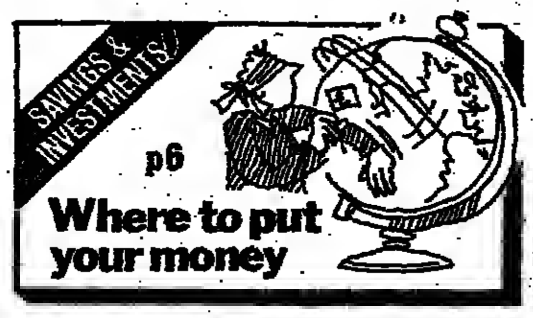
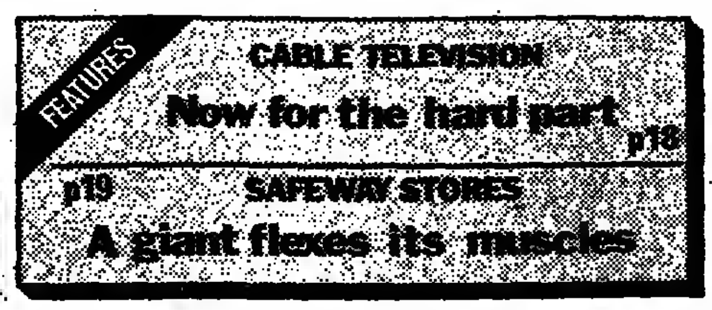
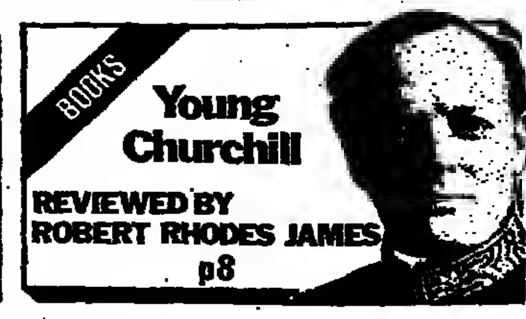
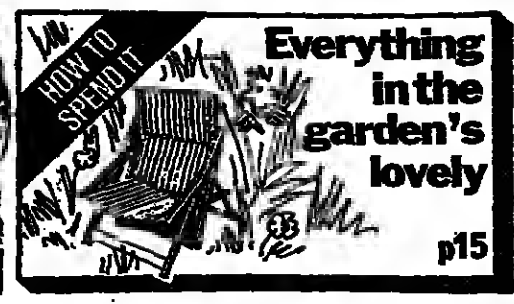








NEWS SUMMARY

GENERAL

Polish amnesty urged by Pope

Pope John Paul asked the Polish authorities to free all political prisoners before his June visit, church officials said. His appeal reinforces Polish bishops' calls for an amnesty for those sentenced under martial law.

The authorities began fresh moves against associates of Solidarity leader Lech Walesa in advance of planned May Day demonstrations. Page 2

Fanfani resigns

Italy's Premier Amintore Fanfani and his coalition government resigned. Page 2

French blasts

Corsican separatists claimed responsibility for 15 bomb attacks in Paris and three French towns. Page 2

Berne expulsion

Switzerland ordered the closure of the Soviet Novosti news agency's Berne office and expelled its chief.

'Smear' denied

Tory Defence Spokesman Winston Churchill and Defence Secretary Michael Heseltine launched fresh attacks on CND, but denied they had waged a smear campaign.

Falklands concern

Falkland islanders said they would be "surprised" and "angry" if bereaved Argentinian relatives were allowed to visit in present circumstances.

Inquest bid fails

The GLC failed in its High Court bid to have the inquest on Colin Roach held at Hackney town hall.

Zimbabwe order

Zimbabwe's High Court ordered the Government to allow lawyers to see six detained aides of exiled Opposition leader Joshua Nkomo.

Tories ahead

An opinion poll shows the Conservatives clear favourites to win the Cardiff North-west by-election. Page 3

Mink trade ban

The Convention on International Trade in Endangered Species voted to ban trade in four types of bottlenose whales and mink.

Killer beast hunt

Police called in the Royal Marines in a bid to find a mystery beast which has devoured up to 80 lambs south of Exmoor, Devon.

Fab Four funds

Liverpool's Beatles museum is to get a £40,000 Government urban development grant, Environment Secretary Tom King said.

Briefly . . .

Actor Nicholas Ball was fined £700 for possessing cocaine.

Israeli soldier was killed when his vehicle hit a mine near Sidon, Lebanon.

Financial Times

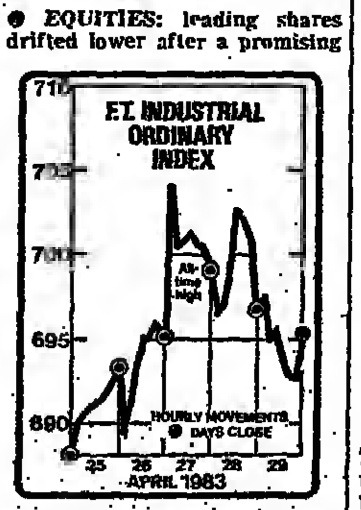
The Financial Times will not be published on Monday May 2.

BUSINESS

UK trade surplus recovers to £556m

● BRITAIN'S current account of the balance of payments recovered sharply last month to show a £556m surplus, against a substantial deficit in January and a small surplus in February. The improvement reflected a rise in exports to a record value of £5.3bn. Back Page

● EQUITIES: leading shares drifted lower after a promising start. The FT Industrial Ordinary index lost 1.5 to 695.3. Page 26



● GILTS were little changed. Page 26

● STERLING rose 10 points to $1.5605 and improved to DM 3.8475 (DM 3.845), FFr 11.54 (FFr 11.525) and SwFr 3.2275 (SwFr 3.225) but eased to Y371.25 (Y371.5). Its trade-weighted index held at 84.2. Page 23

● DOLLAR rose to DM 2.4655 (DM 2.4645), FFr 7.395 (FFr 7.383) and SwFr 2.0685 (SwFr 2.065) but eased to Y237.85 (Y237.9). Its trade-weighted index was 122.6 (122.8). Page 23

● GOLD edged up $0.50 to $429.5 in London. In New York the Comex May settlement was $430.3 ($431). Page 23

● WALL STREET was up 4.84 to 1,224.36 near the close. Page 22

● WEST GERMANY'S annual rate of inflation fell to a four-year low of 3.3 per cent this month, according to provisional figures.

● CHINA admitted it was having trouble harnessing the national economy to its new economic objectives after it reported a 69 per cent rise in production in 1982. Page 2

● NEW ZEALAND'S credit rating has been reduced from triple-A to double-A plus by Standard & Poor's, the New York debt rating agency. Page 25

● EDINBURGH Court of Session ordered the managers of Throgmorton Trust to cease publishing two statements which, it was claimed, would mislead shareholders of Pentland Investment Trust which Throgmorton is wooing. Back

● SOTHEBY'S takeover by Knoll International of the U.S. would be a "tragedy for London and for Britain," Labour trade spokesman Peter Archer said. Page 20

● CHARTERHOUSE Group, financial and industrial concern, has agreed to buy Dorie Foods, Florida-based chilled-fruit drinks producer, from Coca Cola.

● TEXACO, U.S. oil group, reported a 13.1 per cent fall in first-quarter net income to $319m (£204.4m). Page 25

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Bellair Cosmetics	198	+ 48
Bibby (J.)	450	+ 20
Boot (H.)	305	+ 13
Bunzl	282	+ 15
Davies & Newman	190	+ 10
Grottan	46	+ 4
Laing (J.)	124	+ 12
Liberty	140	+ 12
London Brick	158	+ 3
Norfolk Cap.	35	+ 3
Northern Goldsmiths	164	+ 10
Octopus	365	+ 5
Saga Hols.	118	+ 7
Simpson (S.) A	96	+ 6
Vickers	125	+ 7
Walker (J.) A	54	+ 7
Pancontinental	90	+ 5

FALLS		
Cadbury Schweppes	108	− 4
Cole Group	146	− 10
Fitch Lovell	141	− 5
Grand Met.	347	− 6
ICI	470	− 8
Land Securities	317	− 8
London & Liverpool	280	− 10
MEPC	217	− 8
Polly Peck	£15½	− 1½
Rustenburg Plat.	500	− 10
Simmer & Jack	425	− 30

UK jobless rise of ½m by 1988 forecast

BY PHILIP BASSETT, LABOUR CORRESPONDENT

UNEMPLOYMENT in Britain is likely to increase by 500,000 in the next five years, according to unpublished forecasts prepared by the European Commission.

The EEC Commission's estimates for the UK contrast sharply with its assessment of unemployment in West Germany, which it believes will fall over the comparable period.

The importance of the Commission's forecasts lies in the fact that they are based on figures supplied in the first instance by relevant member-governments.

The Government, either through Ministers or through its employment services agency, the Manpower Services Commission, has consistently refused to make public specific forecasts of the expected pattern of medium-term unemployment.

Some Ministers have referred to the UK's present unemployment level of about 3.2m as a "plateau." The MSC has simply drawn together unemployment estimates of various economic forecasters and used them as indicators of a trend, without fully endorsing them.

The European Commission does not publish its own internal forecasts. However, it has prepared estimates which suggest a growth in the UK economy of 2-2.5 per cent in the period 1983-88, with a similar productivity growth rate.

It forecasts that the supply of labour will increase by more than 3 per cent, and that the net result of the interplay of these factors will be that the UK unemployment rate will reach 13.9 per cent at the end of the period.

This would give a figure of 3.7m people out of work.

In contrast, the Commission expects labour supply in West Germany to fall. Economic growth, at about 2.5-3 per cent, will be at a higher level than in the UK, and productivity will rise at roughly the same rate.

As a result West German unemployment, which stood last month at 9.8 per cent, would fall back to about 7-8 per cent.

Throughout its membership, the Commission does not expect economic growth to be large enough to restore full employment in the next decade.

Given low growth expectations and the increasing impact of new technology, the Commission is convinced that some form of manpower policy instrument is necessary, particularly in the form of a shorter working week.

It seeks an agreement among member-States for an overall strategy on reducing the number of working hours.

Europe objects to U.S. Soviet trade control plan

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE EEC has strongly protested to the U.S. over plans to tighten controls on Western trade with the Soviet Union.

The Ten hope to head off another damaging trade dispute before the seven-nation world economic summit opens in Williamsburg, Virginia, on May 28.

European officials contend that U.S. plans to renew and reinforce the "extra-territorial" provisions of the 1979 Export Administration Act could lead to a transatlantic row as serious as last year's bitter dispute over the Siberian natural gas pipeline to Western Europe. The pipeline dispute torpedoed the fragile consensus on East-West relations tentatively achieved at the last Western summit in Versailles last June.

An aide memoire delivered to the State Department on Thursday by Sir Roy Denman, head of the Community delegation in Washington, says that the administration's current approach could have serious consequences for international trade relations, "is bound to lead to conflict" at the political level and runs counter to the basic principles of international law.

In renewing the Act, the U.S. is reinforcing its claim to jurisdiction over the foreign subsidiaries and affiliates of U.S. companies, and of U.S. companies operating abroad, in order to enforce restrictions on the sale of U.S. high technology to the East bloc.

The Community has long protested against the Act's extra-territorial provisions, under which President Ronald Reagan tried to impose sanctions on Europe-based companies in the pipeline dispute. It says these contravene both national and Community law covering companies operating in the EEC and are "unacceptable."

The Europeans regard it as particularly serious that the U.S. is now encouraging Congress to strengthen the legislation — which can be applied retroactively—at a time when East bloc trade is already a major bone of transatlantic contention.

A succession of European foreign and trade ministers has raised the issue on visits to Washington in recent weeks—culminating in the latest remonstration, which approved at Monday's meeting of the EEC council of foreign ministers in Luxembourg. All have warned that Mr Reagan could wreck the Williamsburg summit if he tries to drag major concessions from his partners.

The legislation proposed claims the right both to control exports of U.S.-made goods from Europe and to restrict imports to the U.S. from countries that sell to the East bloc in violation of American trade sanctions.

The EEC says the problems are compounded by the authority the Act grants to the President to "impose export controls for reasons of foreign policy adopted by the U.S. but not necessarily shared, or shared to the same extent, by friendly countries."

Stressing the Community's "deep concern," the aide memoire calls on the U.S. to reconsider the "extraterritorial and retroactive reach" of the legislation which is "contrary to international law and unacceptable in the context of relations with friendly countries."

There was no immediate reaction from the State Department yesterday, but one official said he thought the argument over the legislation had "not yet reached its plateau."

CO-OPERATION ON AID URGED

The Development Committee of the IMF and World Bank yesterday urged closer collaboration between the multilateral lending institutions and the General Agreement for Tariffs and Trade to help alleviate the shortfall in developing countries' export earnings.

Mr A. W. Clausen, the World Bank president, said the bank expected to put forward detailed plans for an increase in its capital of at least $40bn.

The plan has the backing of the committee, which is urging that the World Bank press forward with a selective capital increase, following the recent decision to raise the IMF's quotas by almost 50 per cent. The capital increase is planned to take effect in late 1985.

The views of the committee, which is composed of Finance and Development Ministers from 21 industrialised and developing countries, are said to carry considerable weight with the governors of the IMF and World Bank, although its recommendations are not binding.

U.S. economic indicators rise

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE U.S. index of leading economic indicators rose by a steady 1.5 per cent last month, suggesting that a sustained but slow recovery is now firmly established.

The March increase followed a 1.4 per cent rise in February but it was less than January's 3.2 per cent gain—the largest monthly advance in more than 30 years. The index has now gone up for seven months in succession, with increases of over 1 per cent in each of the past four.

The so-called Composite Index of leading indicators, designed to predict economic developments in the coming weeks and months, lost credibility last year when it frequently failed to produce accurate readings of the economy. Both government and private economists, now believe, however, that it is more accurately reflecting the onset of a sustainable recovery.

Seven of the 11 indicators published yesterday contributed to the improvement, led by increases in raw materials prices and a healthy lengthening of the average working week. Commerce Department economists said that virtually all the leading indicators now appeared to have passed their lowest point.

Government analysts were also encouraged by an 0.7 per cent increase in the accompanying Index of Coincident Indicators, which is a monthly estimate of aggregate economic activity. This index had fallen by 0.5 per cent in February, after an increase of 1.3 per cent in January.

$ in New York

	April 28	Previous
Spot	$1.5615-5625	$1.5670-5680
1 month	0.19-0.12 dis	0.19-0.16 dis
3 months	0.47-0.42 dis	0.39-0.37 dis
12 months	0.08-0.77 dis	0.76-0.70 dis

CONTENTS

For latest Share Index phone 01-246 8026

Clampdown on capital and income bonds

By Eric Short

THE GOVERNMENT is taking action against tax-avoidance schemes marketed by some life companies under the title capital and income bonds. Mr Nicholas Ridley, Financial Secretary to the Treasury, said yesterday that measures would be included in the Finance Bill to take effect from today.

The attraction of the capital and income bond has become increasingly recognised in recent years. It is a combination of various life contracts—a series of protection policies and a regular premium saving policy.

The lump-sum money is nominally used to buy the protection while the savings contract has a nominal annual premium of one pound. All the investment, however, goes into the regular savings policy.

The bond provides investors with tax-free income throughout and tax-free capital on cash-in after 7½ years.

This contrasts with a normal lump-sum life bond, where any profit on the bond is subject to higher-rate tax, although there is a facility to defer tax liability on regular withdrawals.

Traditional life companies belonging either to the Life Offices Association or the Associated Scottish Life Offices have a gentleman's agreement with the Inland Revenue not to market tax-avoidance schemes that rely on artificial combination of policies.

Some life companies outside the two associations, however, have issued a stream of artificial packages over the past decade or so.

Each tax-avoidance plan has been well-received by investors and by intermediaries specialising in tax planning. In each case sales of the plans have run into hundreds of millions of pounds before the Inland Revenue clamped down. Life companies concerned have always kept a low profile on sales figures.

Merchants Investors Assurance, one of the early sellers of capital and income bonds, have sold about £75m since the launch of its contract 18 months ago. Albany Life has done comparatively better, with sales of £43m in six months.

Established life companies

Continued on Back Page

Futures trading may allow return of the fixed-rate mortgage

BY DAVID FREUD

BUILDING societies are investigating ways of using the new London futures exchange to offer home-owners fixed-rate mortgages again for the first time in nearly 40 years.

Six societies are about to start dummy trading on the London International Financial Futures Exchange (Liffe) to assess the best way of using the exchange.

Rules governing the societies do not allow them to buy futures contracts and the object of the dummy run is to collect evidence of the potential benefits before pushing for changes.

Mr Roy Cox, chief executive of the Alliance Building Society, said: "We hope the exchange will provide us with a bit more flexibility. Clearly the most important thing it could allow us to do is offer a fixed rate mortgage to our customers." By using a futures contract the societies can eliminate the risk of interest rates changing.

Fixed-rate mortgages were commonplace in the 1930s but more volatile interest rates encouraged building societies to phase them out immediately after the Second World War. Variable rate mortgages, in which the rate paid by the borrower changes roughly in line with bank base rates, were introduced instead.

The investigation of Liffe's potential is being conducted by a Building Societies Association committee. The six societies trying out the programmes are the Leicester, Leeds, Halifax, Nationwide, Anglia and the Alliance.

If the association finds that the programmes work it is likely to push for the widening of powers in this direction in the Building Societies Bill now being prepared.

Bristol and West in bank link, Page 3

Spain pledges support for Augustus Barnett

BY ALAN FRIEDMAN IN LONDON AND DAVID WHITE IN MADRID

THE Spanish government yesterday pledged its full support for the Augustus Barnett wine chain, the London-based company which was part of the controversial Rumasa group expropriated by the government on February 23.

Sr Ricardo Goytre, a government-appointed administrator of some 225 wine and industrial Rumasa group companies, said at a London press conference the British market was the single most important in the world for Rumasa sherries and wines. It accounted for around 30 per cent of wine and sherry exports. Last year the wine and sherry business made sales of more than £110m, said Sr Goytre.

The Spanish government has effective control of the Barnett chain as a result of a £2m cash injection and the pledge of 100 per cent of Barnett shares to the Banco de Jerez, a Rumasa bank now owned by the government.

Barnett was one of several companies owned by Multinvest, a Netherlands Antilles company, and its associates. These companies are now the subject of an English legal action under which the government alleges they were se[…] either as undisclosed Ru[…] subsidiaries or by Sr Jose-M[…] Ruiz-Mateos, founder and [for]mer Rumasa chairman.

Sr Ruiz-Mateos, who has b[een] in London for six wee[ks] emerged from seclusion [on] Thursday to say he would fig[ht] to recover his empire, which [he] values at Pta 500bn (£2.4bn). But Sr Goytre yesterday reiterated previous claims of a P[ta] 200bn (£940m) deficit in the Rumasa group. He said the accountancy firm Arthur Andersen would complete an investigation of Rumasa companies this summer and predicted t[…]

Continued on Back Page

Interview with former Rumasa chief, Page 19

June poll likely as Fanfani resigns

By James Buxton in Rome

SIG AMINTORE FANFANI, the Italian Prime Minister, was last night handed his resignation to President Sandro Pertini, paving the way for general elections on June 26.

The Christian Democrat Prime Minister, whose fifth administration has lasted only five months, resigned at the end of the formal debate on his government in the Senate. He was not expected to wait for a vote, which could raise political tensions.

When the debate opened on Thursday Sig Fanfani outlined the achievements of his government and though regretful that the desire of the Socialists and other parties for general elections has brought the administration to a premature close, was careful not to attack those responsible.

By thus keeping on good terms with the parties which make up the government, Sig Fanfani has strengthened his claim for his government to continue in a caretaker capacity until after the elections.

President Pertini is expected to make only a brief round of consultations before signing in the next few days the decree dissolving Parliament a year ahead of its natural term. The parties now seem to be agreed on June 26 as general election day. Regional and local elections are already scheduled to be held on that day.

15 bombs set off in France by Corsicans

By David Marsh in Paris

A WAVE of bomb attacks by Corsican extremists hit Paris and three other French towns early yesterday morning, adding to the unease caused by economic austerity and a week of farmers' and students' demonstrations. The bombings—15 in all—caused no casualties but damaged property.

The traditional May Day trade union marches tomorrow are certain to provide another focus for discontent over Government belt-tightening.

Responsibility for the attacks was claimed by the Corsican separatist movement FLNC, which the Government outlawed in January. The organisation has been responsible for a series of bombings on the island since an uneasy truce with the Socialists broke down last August.

The police, which have mounted a big crackdown against terrorism in Corsica since last summer, responded quickly. Twelve people from Corsican nationalist circles were being held yesterday.

The French government held a cabinet meeting yesterday to put the finishing touches to the austerity programme. In Paris several thousand protesting students assembled again on the Left Bank.

PEKING HIGHLIGHTS 'IMBALANCE IN PRODUCTION'

China admits trouble over targets

BY MARK BAKER IN PEKING

CHINA admitted yesterday that it was having trouble harnessing the national economy to its new economic objectives after it reported a 9 per cent increase in production in 1982.

A senior official said there was a "too drastic" increase in construction investment, many enterprises were inefficient, heavy industry was using too many resources, and light industries were not developing fast enough to cope with consumer demand.

In a 27-page statement on economic results for 1982, China's State Statistical Bureau reported substantial increases in agricultural and industrial production, an improved trade position and steady increases in personal incomes.

But in a remarkably frank assessment, the bureau highlighted what it described as serious imbalances in production, investment and efficiency. Xu Gang, Deputy Director of the bureau, listed four key problems:

- "Over-extended and excessive" investment in capital construction causing dispersion of resources and materials shortages;
- Many projects listed under the state plan squeezed out by competition from other projects for materials;
- Many enterprises showing poor results, increasing production but only inefficiently, returning poor profits and ignoring production requirements;
- Imbalances between heavy and light industry and a general failure of industry to meet the increased demand created by rises in consumer spending power.

The frank assessments are surprising considering China's past tendency to gild the statistical lily and produce incomplete or imprecise economic reports.

Xu said heavy industry was still "eating up energy and raw materials" that should be going to light industry. "In light industry itself, there is a need to improve variety, quality and efficiency and to meet market demands," he said.

The bureau reported that the output value of industry, agriculture, the building trade, transport and communications enterprises had risen 9 per cent to $494.7bn (£330bn) from 1981.

Agricultural output rose 11 per cent to $139.3bn, due largely to favourable seasons. Industrial production increased by 7.7 per cent to $275.3bn topping the planned annual growth target of 4 per cent. Per capita productivity had risen 2.3 per cent over 1981 for state-owned enterprises.

But the bureau's report described the industrial results as "relatively poor." There had been a 3.5 per cent decline in turnover of profits and taxes for each $50 of industrial output value, some enterprises had suffered losses totalling $2.2bn and there was increased warehouse over-stocking.

"Many enterprises continued to put one-sided emphasis on output value while neglecting economic results," the report said.

In trade, the bureau said exports had risen 12.7 per cent to $20.7bn while imports declined 2.7 per cent to $27.9bn.

Pope urges amnesty for Polish detainees

BY CHRISTOPHER BOBINSKI IN WARSAW

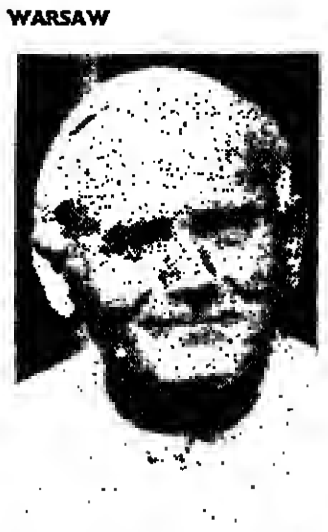
POPE John Paul has asked the Polish authorities to free all political prisoners before his visit in June, according to church officials.

The Pope's appeal reinforces the line taken by Polish bishops who have consistently called on the Government to declare an amnesty for those sentenced under martial law, which was suspended in December, and comes as church-State relations show signs of strain.

Last Sunday Cardinal Jozef Glemp, the Polish primate, repeated that the church would continue to push for an amnesty and the reinstatement of those who have lost their jobs.

Meanwhile, the authorities have begun to move against members of Mr Lech Walesa's household before tomorrow's May Day demonstrations called by leaders of the underground Solidarity trade union organisation as a challenge to official marches.

The authorities are planning to prevent Solidarity activists from gathering and have threatened to deal "decisively" with any marches which take place.



Pope John Paul . . . amnesty plea

Mr Kazimerz Barcikowski, who is in charge of relations with the church, has asked that services be postponed until later in the day, presumably to prevent demonstrators from congregating in church buildings.

Church authorities, however, have rejected the request because it runs counter to "the church's mission."

In a message to his supporters, Mr Zbigniew Bujak, the underground solidarity leader in Warsaw has said "May Day was to have been the day when totalitarianism triumphed over the democratic aspirations of our nation.

"But today we know that neither the riot police nor the secret police can terrorise us."

In Gdansk, the police have detained Mr Walesa's secretary, Mrs Bozena Rybicka, and her husband, Mr Maciej Grzywaczewski.

They were released after a few hours but the authorities also detained Mr Walesa's bodyguard. His driver was also questioned.

Now that Mr Walesa has his job back at the Lenin Shipyard it is likely the authorities will attempt to break up the group of sympathisers who have been aiding the Walesa household over the past few months in a bid to isolate the Solidarity leader.

Poland'a Communist Party has loat the political will to press ahead with decentralising economic reforms approved by the party's Congress in the summer of 1981, according to Mr Zdzislaw Malicki, a parliamentary depnty.

In a report in the latest issue of the economic weekly Zycle Gospodarcze, he said, "a small group of deputies, defenders of the reforms," had failed to prevent a return to more centralised "manual steering" of the economy, implicit in the Government plan presented to Parliament.

Bonn concern at Honecker's cancelled visit

BY JONATHAN CARR IN BONN

THE West German Government has reacted with astonishment and concern to the decision by Herr Erich Honecker, the East German President, to cancel a visit to Bonn planned for later this year.

Most spokesmen for the Centre-Right coalition in Bonn yesterday warned against over-dramatising Herr Honecker's action, and said the dialogue between the two German states must continue.

Herr Franz-Josef Strauss the Bavarian leader—who has repeatedly taken a tougher line on East-West German relations, retorted that it was a good thing that Herr Honecker was not coming in present circumstances.

Perhaps Bonn should not have maintained the invitation to the East German leader, Herr Strauss said.

The cancellation of Herr Honecker's visit, announced late on Thursday, follows the deaths in separate incidents—this month of two West German travellers who were being questioned for alleged misconduct by East German authorities.

The evidence available to Bonn suggests that the West German werenot physically mishandled. But many newspapers here—as well as Herr Strauss's Bavarian party—have complained that travellers are regularly submitted by the East Germans to severe psychological pressure, liable to cause heart attacks.

Referring to these reports, the East Berlin announcement said Herr Honecker would not follow up the invitation to him "because of what the Federal Republic has done to relations between the two German states and how this has been expressed in press commentaries."

In a terse announcement, Chancellor Helmut Kohl's spokesman described this explanation as "incomprehensible" because East Germany knew very well that press freedom existed in the West.

But behind the scenes, officials have expressed surprise and disappointment that events have taken this turn

It is pointed out that Herr Kohl personally asked Herr Honecker for a full explanation of the initial incident involving a West German traveller, and that the East German leader saw to it this was supplied.

It is also stressed by officials in Bonn that the new West German Government, which came to power last October and was confirmed in the March election, is just as interested as its predecessor in improving relations with East Germany.

MR ALEXEI DUMOV, the hureau chief of the Soviet Novosti news agency in Berne, was yesterday asked by the Swiss Justice Ministry to leave the conntry in 10 days, writes Anthony McDermott in Geneva. He was not accnsed specifically, of spying, although the official statement clearly implied the KGB was involved.

In a 700-word statement, the Justice Ministry said Novosti had been using its office as "a centre for disaffection, subversion and agitation." The statement is believed to be a reference to a Soviet campaign directed at encouraging the Swiss peace movement.

- One of the Norwegian naval vessels searching for a suspected foreign submarine in Norwegian waters yesterday made sonar contact with something which could have been a submarine, said the Defence Ministry, writes Fay Gjester in Oslo.

Three tapes with recordings of the sonar signals were flown to Oslo on Friday afternoon for interpretation. An official said a missile had been fired at the sound source.

Evren sets date for Turkish elections

GENERAL ELECTIONS will be held in Turkey on November 6, Gen Kenan Evren, the country's president, announced yesterday, David Tonge reports from Istanbul.

The general, who led a military coup in September 1980, told a crowd in the eastern Turkish town of Erzincan that the elections meant "a new era starts that will prove power rests with the people unconditionally."

Drug-combat team

The Irish Government has established a five-strong ministerial team to combat drug abuse, after figures released by Ireland's Medico-Social Research Board showed that heroin usage in parts of Dublin is as bad as in the worst areas of New York, Brendan Keenan reports from Dublin. A survey in one of the city's most deprived areas showed that one in 10 of those under 24 was using the drug.

Chernenko back

A giant portrait of Mr Konstantin Chernenko, who has missed three major Communist gatherings this month, went up in Moscow yesterday, apparently ending speculation that he had been dropped from the ruling Politburo, AP reports. Portraits of Politburo members traditionally are displayed for May Day celebrations.

Tank claim dismissed

Claims by Dutch Army technicians that West German-built Leopard tanks, including the Leopard II, were unreliable and their weapons inaccurate have been dismissed by a Defence Ministry working group in The Hague, Walter Ellis reports from Amsterdam.

Dutch funds outflow

Mr Herman Ruding, the Dutch Finance Minister, has admitted that there was a "substantial" outflow of undeclared funds from the Netherlands in 1982, Walter Ellis reports. But he could not confirm an alleged growth in the traffic this year and said that it was too early to talk of a "capital flight."

Greek growth seen

Greece can expect a resumption of modest economic growth from the second half of this year, provided the anticipated revival of the international economy actually takes place, Mr Gherassimos Arsenis said yesterday, Victor Walker reports from Athens. Mr Arsenis was presenting his annual report as governor of the Bank of Greece.

Brunei denies threat

Brunei has denied threatening to end its production agreement with the Anglo-Dutch company Royal Dutch Shell unless Britain keeps its Gurkha troops in the Sultanate after independence at the end of the year, Reuter reports.

Madagascar aid

International aid donors, including the World Bank, have agreed to provide SDR 50m (£34m) in emergency balance of payments support to Madagascar, after a first meeting of the country's 20-strong consultative group in Paris, Quentin Peel writes.

Doctors join strike

Doctors in the Ivory Coast came out on strike yesterday, joining secondary school and university teachers in their demands for continued free housing, Peter Blackburn reports from Abidjan. President Houphouet Boigny has ordered the teachers back to work, and warned that otherwise they will be prosecuted.

Harare judge acts

A judge yesterday ordered police to produce six officials of opposition leader Joshua Nkomo's Zapu party who were detained two hours after a High Court judge acquitted them of capital charges, Reuter reports from Harare.

Argentine junta says missing thousands died in open combat

BY JIMMY BURNS IN MONTEVIDEO

ARGENTINA'S military Government has announced that thousands of people who went missing following the 1976 coup are now dead and that the bulk of the victims were left-wing guerrillas killed in open combat by the armed forces.

The announcement, made by a military official in a special nationwide broadcast on Thursday night, drew immediate protests from local human rights organisations.

They claim that there were never more than 1,200 Argentines actively engaged in guerrilla warfare and that many individuals went missing simply on account of their political views.

International organisations like Amnesty, the United Nations, and the Organisation of American States estimate that as many as 30,000 "disappeared."

Their reports, based on eyewitness accounts, claim that most victims were kidnapped from their homes and summarily executed after torture in special military camps.

The Government's announcement recognised that "some excesses had been committed but said that in any war there were "innocent victims."

The Government, speaking on behalf of the armed forces, said those dead had been killed by officers on active duty and under orders from the junta.

This information reinforces the military's refusal to accept the trial of individual officers by civilian courts as urged by relatives of victims and political parties.

The "Mothers of May" — a human rights organisation representing relatives of the missing — described the announcement as "an attempt to escape justice and to ensure the immunity of those responsible for the horror and tragedy which had occurred."

James Buxton in Rome adds: Reacting to the Argentine statement, the Italian Foreign Ministry said it was "amazed" the junta should try to dispose of the issue in such a dismissive and insensitive way. The Ministry has been pressing Buenos Aires for information on the fate of 45 Italians, 241 people of dual Argentine and Italian nationality and a further 221 people of Italian origin who have disappeared in Argentina.

- Mr Cranley-Onslow, Britain's Minister of State for Foreign Affairs, arrived in Uruguay yesterday as part of a week-long tour aimed at strengthening Britain's ties with "friendly" South American countries in the wake of the Falklands war.

Congress set to challenge Reagan again on Nicaragua

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

PRESIDEN Ronald Reagan yesterday faced a new Congressional challenge over his controversial Central American policies—two days after his nationwide appeal for bipartisan support on Wednesday night.

Democratic leaders in the House of Representatives claimed to have sufficient committee votes to bring a Bill to the House floor that could cut off funds for Central Intelligence Agency covert operations in support of the 3,000 or so right-wing guerrillas fighting the left-wing Sandinista Government of Nicaragua.

The Bill would give the CIA 45 days to "extricate itself" from the operation, and replace covert action with an "overt" funds of $30m in the current budget year, and $50m in fiscal 1984, which begins on October 1.

The Administration has reportedly been secretly spending $20m annually for the past two years to train and arm the guerrillas.

The new fund would help U.S.-backed governments, such as that of El Salvador, to combat cross-border gun-running to left-wing guerrillas, ending the current CIA-supported raids into Nicaraguan territory from neighbouring Honduras.

The 14-member House Select Committee on Intelligence yesterday postponed a vote on the proposed legislation until next week, to allow its Republican members time to offer amendments.

Meanwhile, in El Salvador, President Alvaro Magana predicted that within three years his country would be able to stand on its own feet, without U.S. economic or military support.

"With sufficient military aid, we would now be finished with this war," he said in an interview.

His statement was interpreted in Washington as trying to reassure Congress that it will not be dragging the U.S. into an unending commitment to the Salvadorean Government by approving the $110m in urgent military aid, for which Mr Reagan is currently struggling to obtain authorisation.

Tim Coone reports from Managua: Tens of thousands of Nicaraguans registered a vocal but peaceful protest in Managua yesterday at the hardline position on the country taken by President Reagan in his address to the U.S. House and Senate on Wednesday.

An estimated 50,000 people, including trade unionists, farm workers, militia members and soldiers, thronged a plaza in the centre of the city, many of them bearing rifles or machetes.

Peru to receive $450m from creditor banks

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

PERU has secured commitments from its creditor banks covering the full $450m it is seeking from them in the form of new money this year, Mr Brian Jensen, its central bank president said yesterday.

Speaking from Washington, Mr Jensen said that thia puts Peru well on the way to completing its external financing needs for this year. The International Monetary Fund is scheduled to approve an SDR 250m ($270m) drawing by Peru at its executive board meeting on May 20 and the commercial bank loan package should be signed around the end of May.

The $450m loan from the banks is part of an $880m package that also includes refinancing of $430m due this year. In addition Peru is rolling over some $2bn of short term private and public sector debt.

Mr Jensen said Peru is also seeking some $300m from the World Bank, Inter-American Development Bank and U.S. Government to cover damage to crops, transport facilities and economic infrastructure caused by severe bad weather in the first quarter, including floods in the north of the country and drought in the south.

- Petrobras, the Brazilian state oil company, has reached agreement in principle with Wells Fargo Bank on the rolling over for 180 days of bankers' acceptance facilities totalling between $241m and $268m, Andrew Whitley reports from Rio de Janeiro.

The accord follows the decision by the Brazilian central bank three weeks ago to block payment on $152m-worth of credit due to Wells Fargo, acting as agent for a consortium of 24 international banks from Japan, Western Europe, the U.S. and Latin America.

U.S. pleads for patience over budget deficit cut

BY DAVID MARSH IN PARIS

THE U.S. Government, in two daya of economic talks which ended yesterday in Paris, pleaded with its European partners for patience over its efforts to bring down the U.S. budget deficit—seen internationally as the main factor putting upward pressure on interest rates.

During deliberations of the economic policy committee of the Organisation for Economic Co-operation and Development, participants voiced generally greater optimism about world economic recovery.

Growth in the 24-nation OECD isc now forecast at close to 2 per cent for this year, against the prediction of 1.5 per cent made at the end of last year, and there are signs the recovery will pick up steam in 1984.

Delegates still voiced disquiet over the strength of U.S. interest rates.

The U.S. view—put by Mr Martin Feldstein, President Reagan's chief economic adviser, who chaired the meeting—is that Washington is taking steps to reduce the budget deficit. But he admits that necessary tax increases cannot be enacted until 1985 because 1984 is an election year.

Apart from the U.S., economic recovery is proceeding faster than expected this year in the UK and West Germany—all countries with low inflation rates.

Israel seeks to shift blame onto Moscow

BY OUR TEL AVIV CORRESPONDENT

MR GEORGE SHULTZ, U.S. Secretary of State, yesterday got down to substantive negotiations on the withdrawal of foreign forces from Lebanon, but Israel again tried to shift the focus of his peace mission to Soviet meddling in the Middle East.

While Mr Shultz talked with Mr Menahem Begin, the Prime Minister, Israeli officials summoned correspondents to a briefing at which two defence officials alleged that there was some reason to link Moscow and Syria to the bombing of tha U.S. Embassy in Beirut and the earlier assassinations of Lebanon's President-elect Bashir Gemayel and tha Palestinian moderate leader Issam Sartawi.

It was the latest move in an Israeli campaign apparently designed to highlight the Soviet-Syrian threat to the region rather than the near-deadlock in Israel's four month negotiations with Lebanon over troop withdrawals.

The two officials, who insisted they should not be named, spoke of a concerted attempt by the Kremlin and Damascus to torpedo the peace process and intimate the Lebanese.

Asked to back up their charges of Soviet and Syrian complicity in the Embassy bombings and assassinations, they said there was "very soundly based conjecture."

The officials complained that until now Washington had not played a positive part in the withdrawal negotiations, but had given the Lebanese the impression the U.S. could pressure Israel into making concessions.

Earlier it was announced that an Israeli soldier was killed and three wounded by a land mine in South Lebanon. The continuing casualties have led to calls, backed by several ministers, for a unilateral Israeli pull-back in Lebanon if the Shultz mission fails.

Mr Shultz, who had held exploratory talks in Jerusalem and Beirut, stayed for four hours with Mr Begin and his ministers. He told reporters some progress had been made. The topics included the major point of disagreement: the future role of the Israeli-backed South Lebanese militia of Major Saad Haddad.

Israeli officials said new ideas had surfaced on the future of United Nations peace-keeping troops in South Lebanon. These will be examined in detail next week.

Agreement was not reached on any of the issnes raised, they said, but unlike some foreign leaders Mr Shultz has succeeded in establishing a constructive working rapport with Mr Begin.

The Secretary of State returns to Beirut today. He will be back in Jerusalem for more talks on Sunday in what all sides predict could develop into a shuttle diplomacy marathon.

AP adds from Beirut: Three people were wounded in overnight artillery and rocket-duels between Christian and Druze militia forces in the Israeli-occupied hills overlooking Beirut, police said yesterday. The clashes erupted less than an hour after Mr Shultz wound up a brief visit to the city.

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Poll shows Tories ahead in Cardiff

BY PETER RIDDELL, POLITICAL EDITOR

THE CONSERVATIVES are clear favourites to win the Cardiff Northwest by-election by a hig majority with tha SDP-Liberal Alliance in third place, according to an opinion poll pubtisbed yesterday.

Tha survey and other evidence will further fuel speculation about an early General Election, *although* a poll of Tory backbench MPs shows that nnly one-third favours June.

Mrs Thatcher has nnt made up her mind but ministers and senlor backbenchers believe the speculation of the last three weeks in practice has narrowed her options, as well as exposing her to charges of weakness and dlthering. So there is therefore considerable pressure for an early statement.

MPs increasingly expect that the election will be ln June and some ministers have already altered their timetables in anticipation.

The Conservative Party yesterday announced that it would be running a major newspaper advertising campaign before the local elections next Thursday following the launch yesterday of a large-scale campaign by Labour.

A survey of 600 voters in Cardiff North-west, conducted by ORC on behalf of Independent Televiston News on Wednesday and Thnrsday, gives the Conservatives 48 per cent, Labour 26 per cent and the SDP-Liberal Alliance 19 per cent. Plaid Cymru is given 7 per cent. This indicates that the Tory share of the vote has fallen by 3 percentage points compared with the 1979 General Election while the Labour share is down by 7 *percentage points*. The hy-election will probably be beld on June 9 unless a General Election is called before then.

The ITN-ORC poll suggests that the Alliance candidate could pick up during the campaign isince a majority of voters who say they might consider changing their mind would shift to the Alliance.

The survey follows an NOP poll in yesterday's Birmingham Post which gave the Tories 46.5 per cent nationally, Labour 31 per cent and the Alliance 20.5 per cent.

However, a survey of Tory MPs' views conducted by the Week in Politics programme on Channel 4, going out tonight shows that only one-third (66) of the backbenchers favour June. A similar number (63) want to wait until the autumn while a further 29 believe the Prime Minister should wait until *next year* and the remaining 25 express no preference.

Not surprisingly, nearly half of the Tory MPs defending marginal seats favour June as do more than two-thirds of the so-called "wet" critics of the Government strategy compared with only 28 per cent of the so-called "drys."

The pre-election campaigning rhetoric was in full flood yesterday with strong attacks on the *Government by Labour.*

Mr Eric Heffer, the Shadow spokesman on European affairs, accused the Government of producing a lengthening list of authoritarian proposals. He compared present Tory views to those of Bismarc at tha end of the 19th century. Similarly, Labour MP Mr Michael Meacher accused the Government of being engaged "on a class war with a persistence and ruthlessness unparalleled in recent British history."

Dr David Owen for the Alliance promised a shake-up of the local government system. He said that an Alliance government would introduce proportional representation in local elections while also substituting local income tax for domestic rates.

● Mr Denis Healey, the deputy Labour leader, yesterday accused Mr Campbell Fraser, president of the CBI, of "crawling" before the Prime Minister at last week's CBI dinner.

"The top establishment *is* now pulling out all the stops to help her win a cut-and-run general election, before the storm breaks." Mr Healey told the Wales TUC's annual conference in Cardiff. Mr Fraser had offered Mrs Thatcher his members' votes "in bumble gratitude for the £7m loss his company, Dunlop, suffered last year."

Aitken says TV-am secure 'for years'

By Raymond Snoddy

THE LONG-TERM financial future of TV-am, the morning commercial television company, *is* secure, even at the present level of audience figures. This was asserted yesterday by Mr Timothy Aitken, the company's chief executive.

"Long-term" meant security for years rather than months, he said, adding that he hoped the present number of viewers — 300,000 — would improve. The rival BBC breakfast time programme is attracting 1.5m people.

The £20m budget for thia year would be trimmed by £5m, Mr Aitken said. This would be effected through cuts in overtime, which bad cost £200,000 so far, more flexible shift work and "minimal" redundancies. Mr Aitken would not put a number to the redundancies but the figure is believed to be about six out of the 350 on the staff.

Mr Aitken confirmed that Barclay's Bank had reinstated the company's overdraft facility of £3m and all TV-am's institutional shareholders *would honour in full* their financial commitments to the company.

Also yesterday, Mr Michael Parkinson, who presents TV-am's weekend programmes, joined the board. Mr Hilary Lawson, a senior executive, left the company.

Asked whether Mr Peter Jay, the former chairman, was still with TV-am, Mr Aitken said: "I believe he is president of this company."

TV-am said last night that Mr Aitken had managed, in the past two weeks, to restore battered morale at the company's studios at Camden Lock, London. The staff had given him a round of applause after he addressed them yesterday.

At his news conference Mr Aitken essayed a joke. "One chap here bought a TR7 car on his overtime pay. He can't do that any more but he's still in the company—anyone that creative is worth keeping."

British Telecom ventures into office automation products

BY RAYMOND SNODDY

BRITISH TELECOM Merlin launched its first office automation products yesterday in the attempted first stage of a BT push into a growing market.

A personal computer, word processor, communicating VDU terminal and printers went on sale under the Merlin brand name in London this week, and will be introduced nationally later in the year.

Sir George Jefferson, chairman of BT, said: "We see this as our initial entry into the office automation market. We don't regard it as other than a threshold."

He made clear that other Merlin products were already pending. The new "liberated" BT would look seriously at any significant growth markets "appropriate to our business."

In this competitive environment it could expect to lose market share to competition in some sectors, but to expand into others.

"We think that is 'fair do's' all round," Sir George said.

Merlin waa set up last year to bring together BT business products, services and new ventures. It operates as a separate profit centre, part of BT Enterprises.

Previous Merlin products have included call-connect systems, electronic telex terminals and modern telephone-connecting products.

The office automation products are based on ICL equipment. They are designed, BT says, for the user who has not yet taken the plunge into information technology.

"They are intended for the average manager, the borderline case," Mr Geoffrey Forsell, head of business computing systems in Merlin marketing, said.

The main new Merlin product is a small business computer priced at £5,270. Apart from five megabytes of memory, the computer gives access to private and public data bases at the touch of a button, and can se[nd] and receive messages using co[m]puter-based message servic[es] such as Telecom Gold.

When linked to a teleprint[er] it becomes a telex terminal.

There is also a button mark[ed] "Help." Mr Forsell says it [is] designed to be tolerant of us[er] mistakes and "guess" what t[he] user really intended.

Mr Gordon Pocock, ch[ief] executive of Merlin, said the [in]tention was to sell the off[ice] automation equipment wh[ere] there was complete servi[ce] back-up.

The first systems were se[t up] this week at the Merlin cent[re] in Ealing, West Lond[on]. Another would open in Leeds [in] July, and a third later this ye[ar] in Birmingham.

"We are putting service ve[ry] high on our list of prioriti[es]. We will only sell where [we] have the proper support set u[p]," Mr Pocock said.

About 200 people would [be] employed by next March.

Range Rover success

By John Griffiths

LAND ROVER, BL's four-wheel drive subsidiary, more than doubled sales of its Range Rover model in the important West German market in the first three months of this year. The numbers involved were small —a rise from 119 to 260—but *still highly encouraging*.

Daimler Benz of West Germany is the only European manufacturer to offer a direct competitor to the Range Rover —the G-wagon built for it by Steyr Daimler Puch of Austria.

The good Land Rover performance coincides with announcement of a considerable sales improvement in northern Europe by Jaguar. First quarter sales in West Germany, Belgium and the Netherlands have risen by 66 per cent to 511.

BL's continental car sales, including Austin Rover, at 29,000 were 12 per cent up on last year's first quarter. Signs look good for further improving on its 1982 performance *when sales rose by 30 per cent* to more than 105,000.

Continental sales should receive a further boost during the next two months, when the high performance Rover Vitesse and MG Metro and Turbo models are due to be launched.

Fight imports, tool makers told

BY PETER BRUCE

[...] yesterday to close ranks and co-operate with each other to combat a steady rise in imports into the decreasing bome market.

Mr Noel Williams, president of the Federation of British *Hand Tool Manufacturers* and marketing director of Stanley Tools, told the federation's annual meeting in Torquay that imports were the greatest singla threat to the industry, which produces a wide range of non-power tools.

UK producers should be prepared to hreak tradition and sell to each other, especially so that smaller manufacturers were not forced to look ahroad to increase their range of products.

The proposal would involve adopting a continental practice hy which large-scale manufacturers with a wide range of products have been able to increase production runs of particular tools by selling any excess to smaller competitors to market under their own names.

Mr Williams said: "Our previous unwillingness to trade between ourselves may *have had advantages in the* past but it is now a liability. I therefore ask each one of you to he prepared to supply other UK manufacturers at competitive prices. If you don't do this, imports will substitute for your own production."

Although imports in 1982 rose by 12.2 per cent over 1981 to a record £90.3m, the total UK market fell to £171.1m from £178.1m in 1981. UK manufacturers managed to broadly sustain exports, worth £106.9m last year compared with £107.6m in 1981. Last year's exports accounted for 57 per cent of production, up from 52.4 per cent a year before.

Increasing import competition came chiefly from the U.S., whose sales in Britain rose from £12.9m in 1981 to £16.9m last year, West Germany (£15.1m to £18.9m) and Taiwan (£4.5m to £5.6m). *Japanese imports* slipped from £11.9m in 1981 to £8.4m last year.

Britain's biggest hand tool export markets last year included Ireland, West *Germany, the U.S., Nigeria*, South Africa and France, each of which took between 5.2 and 7.1 per cent of sales ahroad.

The federation said total sales by UK manufacturera, *were £187.7m last year; a fall* of 8.5 per cent at current prices and 14.1 per cent in real terms. *However*, Britain remains a net exporter of hand tools despite a shift in the balance of trade from a surplus of £27.2m in 1981 to *£16.7m last year*.

Mr Williams said the band tool market in the UK was now only 60 per cent of its size in 1979, a "horrendous" drop. *Nevertheless*, he *had* been encouraged that UK manufacturers appeared to have readied themselves for economic recovery. Prices had become more competitive, supported by professionally-planned marketing.

The federation, which represents more than 100 producers, would press the Government to counteract dumping, counterfeiting and to establish appropriate quality standards and country of origin marking.

Training pledge to young jobless

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

ALL UNEMPLOYED 16-year-olds are to be given guarantees that yearllong places will be avaiiahle on the new Youth Training Scheme by Christmas.

The Manpower Services Commission has in recent years given unemployed school leavers a Christmas guarantee of places for six months on the Youth Opportunities Programme, now replaced hy YTS.

Its decision to extend tha guarantee to the new scheme reflects what Mr David Young, chairman, describes as the commission's quiet confidence that sufficient 12-month places will be available hy autumn.

The commission will not know until September bow many places are required. This depends on the number of young peopie who decide to stay at school. It bas set a target of 460,000 places, however, and wants 300,000 to come from employers.

A report to this week's commission meeting says that nationally 83 per cent of potential Mode A places—those the commission wants employers to provide—has either heen approved or identified.

These results have to be treated with caution, particularly as far as places identified rather than approved are concerned, and there are considerable regional variations.

In the Midlands the commission has found almost enough places to meet requirements, while Scotland and London show far less cause for optimism.

The search for places in Scotland is hampered hy the fact that, unlike England and Wales, there is no national agreement on financing the further education element.

London shows the poorest response in the commission's survey of places—29,200 have been approved and a further 16,800 potential places identified, making 57.5 per cent of the probable requirements.

Top Woolworth post for Dairies man

By John Moore, City Correspondent

WOOLWORTH HOLDINGS, the High Street retailer, has appointed Mr Richard Harker of Associated Dairies group as an executive director.

Announcing the move yesterday Mr John Beckett, chairman of Woolworth Holdings, said he bad reached agreement with the board of Associated Dairies group for them to release Mr Harker from his contract as operations manager of Asda Stores, subject to certain legally binding conditions, in order to join the board of Woolworth Holdings as an executive director.

Mr Harker, 37, has been employed hy Asda for 17 years, rising through store and area management, buying and marketing directorships to his present position.

Mr Beckett said that Mr Harker's appointment did not represent an attempt to appoint a retailing supremo to run Woolworth.

"Recruitment of young and experienced retailers at board level was proceeding, and appointments will be announced as soon as they bave cleared their commitments with their existing company."

Mr Harker is expected to be appointed managing director of a number of stores.

ICL to spend £2.5m on advertising push

BY RAYMOND SNODDY

ICL, the largest British-owned computer company, yesterday announced a £2.5m national advertising campaign to promote its distributed office systems. The campaign will be extended to main international markets this year.

Mr Robb Wilmot, managing director of ICL, said yesterday that everal hundred distributed office systems had been installed by ICL in local area networks.

"Now we have shaken out the early hugs in the system, we are ready for our major push," Mr *Wilmot said. It* was part of ICL's plans to "become big in small systems." The company is best known for its mainframe computers.

Mr Wilmot said that the number of people working on the development of ICL office system equipment had grown from 50 to 400 in the past 18 months. Parallel production was under way in the UK and the U.S.

The company also added a new product to its office range yesterday—a document storage sytsem which acts as a central file able to store up to 30,000 pages of A4 text.

Tha advertising campaign, with the theme "we should be talking to each other," coincides with the phased introduction of a new corporate identity, complete with logo and beige and brown livery for ICL products.

Mr Wilmot, in a review of ICL operations since the reorganisation began in 1981, said that the company had kept its head down for the past year and concentrated on implementation of strategy.

"The vital issue is a new ICL, pointing in a consistent new direction with the right strategy. It is ready to address the convergence of data, voice, text and graphics—aided significantly by our adoption and active participation in the creation of international standards," Mr Wilmot said.

The company's most important collahoration—with Fujitsu of Japan—had allowed ICL to intercept the best mainframe chip technology, while shifting development investment to distributed office systems, be added.

The company had been successful in the retail, financial and health sectors, and, if anything, too successful in local government, Mr Wilmot said. An uncomfortable backlog of orders is huilding up.

£1.7m losses face Lloyd's syndicate

By John Moore,

A LLOYD's underwriting syn[di]cate specialising in the ins[ur]ance of aviation risks is faci[ng] losses of £1.7m. Nearly 1[..] members of Lloyd's who fo[rm] the syndicate, including [..] Lester Piggott, the jockey, ha[ve] been told that there have be[en] difficulties in collecting reinsurance claims which t[he] syndicate has outstandi[ng] against reinsurers.

The syndicate affected [by] the losses is known as numb[er] 863 in Lloyd's and is one [of] 431 syndicates in operation [in] the market. It is formed [by] individuals who invest [in] Lloyd's by pledging th[eir] wealth to allow the market [to] function.

The 98 syndicate membe[rs] have been warned that some [of] the reinsurers, to which t[he] syndicate laid off part of [its] risks to protect itself agai[nst] onerous losses, have proved [to] be "delinquent security." Ea[ch] member on the syndicate wh[o] has accepted £10,000 worth [of] insurance business faces loss[es] of £17,000 for the underwriti[ng] account just completed.

The aviation market had [a] difficult trading year and t[he] market was subject to ra[te] cutting against a background [of] increased competition. Reinsu[r]ance markets have also be[come] competitive and become too fragmented with the entry [of] more participants. There is [a] growing tendency among r[e]insurers to resist claims.

Another aviation syndicate—syndicate 244—also has losse[s]. Each of that syndicate's mem[bers] who accepted £10,000 wor[th] of insurance business fac[e] losses of £2,768 in one unde[r]writing account, and £2,519 [in] another.

A marine syndicate—numb[er] 895—including sports stars Vi[r]gina Wade and Mark Cox, [is] facing losses of £4.6m. Indiv[i]dual members of the syndica[te] who accepted £10,000 of bus[i]ness stand to lose about £20,0[00].

● Lloyd's has reached a settl[e]ment with Mr Frederick Sass[e] who headed a syndicate whic[h] faced £21m of losses, the mo[st] serious losses ever faced by o[ne] syndicate in the market[']s history. Mr Sasse has heen pu[r]suing legal action against Lloyd[']s and two insurance broking su[b]*sidiaries of Brentnall Bear[d]* (Holdings) for the last thre[e] years.

● Lloyd's announced the inqui[ry] team which will be probing th[e] irregularities which arose on a[n] extended warranty insuranc[e] scheme for electrical goods. M[r] Cyril Newman QC and Mr [..] Whewell, a partner of Pea[t] Marwick, Mitchell, the accoun[t]ants, are to conduct the probe

Bristol and West in bank link

By Andrew Taylor

THE Bristol and West yesterday became the latest building society to announce a link-up with a clearing bank. The society is joining forces with Standard Chartered Bank to provide "a wide range of additional financial services" to 500,000 Bristol and West investors.

The Moneylink service will offer a current account cheque hook with Standard Chartered "free of bank service charges" to all Bristol and West account holders.

"Account holders will he able to enjoy a full range of major hank services, most of which will be available at each of the society's 156 hranches," Bristol and West said.

● Building societies which concentrata on traditional building society services achieve this objective far better than societies wbicb offer secondary banking or peripberal services, according to the Cheltenham and Gloucester Building Society wbich yesterday published its own comparisons of building society performance.

Retailers erode liquor makers' benefit

BY GARETH GRIFFITHS

WINE and spirit producing companies which had hoped to ease cash flow prohlems by taking advantage of easier excise duty payment terms are instesd having to pass on the benefit to leading retailers in lower prices and extended-credit.

Since February 15 wine and spirit companies have been given an extra month to make duty payments in line with existing payment rules for heer producers.

The ability to defer duty payments should hava saved the whisky Industry an average of about 40p per case of 12 bottles, according to industry estimates.

Retailers demand for lower prices and extended credits terms, however, and changes in the way Customs and Excise assess duty has eroded most of the benefits to producers, the industry says.

For example, Victoria Wine and Tesco ssy duty deferment has helped them to negotiate lower prices. Tesco says this is particularly true for own label whisky.

The change in Customs regulations has meant the abolition of tax-free allowances on filling hottles.

The drinks industry is concerned a two-tier pricing market will develop in the next few months before prices firm. Many producers are keen to dispose of stocks carried over because of reduced sales levels in the past three years.

● White Horse Distillers, part of Distillers group, has launched a Scotch whisky in Japan called Extra Fine. It sells at Y6,500 (£18) compared with Y3,500 (£10) for White Horse and Y8,500 (£25) for Logan De Luxe. It is aimed at the middle market, which in the past two years suffered through price instability due to parallel imports.

Stiff penalties for video pirates pass third reading

BY IVOR OWEN

VIDEO PIRATES responsible for the large-scale manufacture of illicit copies of films will soon face unlimited fines and up to two years' imprisonment.

These penalties are embodied in the Copyright (Amendment) Bill, a private member's measure sponsored by Sir John Eden (Con. Bournemouth West), which received an unopposed third reading in tha Commons yesterday.

The Bill, which now goes to the House of Lords, will also enable magistrates' courts to impose heavy fines on retailers offering pirated films for hire or sale.

They could be made to pay £1,000 for every illicit cassette found on their premises — a figure likeiy to be increased to £2,000 later this year following a review of the maximum limits applying to fines by magistrates' courts.

Mr Iain Sproat, Under Secretary for Trade, highlighted the sharply increased penalties—the present maximum fine for a first offence is £50—as a clear sign of the Government's determination to defeat the pirates depriving the British film industry of an estimated £120m a year.

Royal ups car insurance

BY ERIC SHORT

ROYAL INSURANCE is increasing its *basic* motor insurance premiums hy 7 per cent from tomorrow.

However, its Carshield 50 policy — giving preferential rates to motorists over the age of 50—remains unaltered.

Royal is also revising some discounts and making certain area *rating* changes. So the actual increase in premiums paid at the next renewal by its *600,000 motorists will* vary from nothing to 7 per cent.

The company last increased its rates a year ago hy an average of 6 per cent.

So far this year only General Accident and Commercial Union of the leading companies have increased their rates. Prudential cut rates to try to recapture its share of the market.

Masterminding the metamorphosis of the green brigade

Ian Hargreaves on a campaign to make ecology an election issue

IT IS not easy to fill the 3,000 seats of the Methodist Central Hall in Westminster at £5 a place when the only attraction is a panel of speakers, but Mr Des Wilson achieved just that this week.

The event, whose star attraction was Mr Ralpb Nader, the ascetic veteran of American consumerism, was all part of a carefully stage-managed three-day programme designed to unite wbat is all of a sudden being called Britain's "green movemant."

Mr Wilson, former housing campaigner for Shelter, journalist, Liberal Party candidate and most recently victor by a knockout in the crusade to remove lead from petrol, could hardly contain his luminous grin as he waved from tha podium like Jimmy Carter befora the rot set in.

It had taken only 15 months, he said, for Clear (the Campaign for Lead-Frea Air) to force tha Government into submission. Then be laid out what he, in his latest role as *chairman of* Friends of the Earth, sees as the immediate priorities: the so-called "1984 campaign" to repeal section two of the Official Secrets Act, a drive for stricter controls on pesticides and support for proportional representation, so that smaller parties such as, perbaps, a British green party, might win seats in Parliament.

Before that, an enthusiastic audienca whose average aga at a guess was between 30 and 35 bad lapped up Naderisms as if the 1960s bad never said goodbye.

Mr Nader told how he had "toilet-trained" General Motors and joked, in the earnest way be does joke, that he had thought of entitling his paper on the subject of multinational companies, Enemies of the Earth, in counterpoint to Mr Wilson's organisation. "But I don't want to engage in understatement," he snarled.

His idea is that Britain needs a cadre of citizens' groups in every town, operating outside the political party structure, to monitor corporate and governmental evil-doing, just like his own Nader's Raiders, as they used to call them in Washington.

It is tempting, especially for businessmen, to dismiss all this as a *sideshow* staffed by over-the-hill enthusiasts locked into concerns which, for the most [...] mises struck in the late 1960s and whose remnants bave been obliterated by the hard times that followed.

This argument contains more than a grain of truth, but it also ignores some evidence. Partly this is a question of sheer numbers. Britain now has, according to Philip Lowe of University College, London, more than 3m paid-up members of the several dozen groups that make up tha green brigade.

It is true, of course, that the biggest of the organisations, the *National Trust* (membership 1.1m) and the Royal Society for the Protection of Birds (360,000), have nothing at all to do with the kind of radical politics associated, for example, with *the German Green Party*. Their growth, however, testifies to the increased emphasis which people place on the quality of their environment.

[...] this spread of multi-faceted activism that the major political parties have started to pay more attention to their policies for he environment.

Mr Tom King, the Environment Secretary, *has* taken care to maintain a high personal profile in fostering conservation projects, and wben announcing a new scheme for business sponsorship of conservation recently he spoke of "a new era in conservation." His decision on lead in petrol should be seen in this context.

At tha same time, Mr Michael Foot has belped launch the Socialist Countryside Group and has promised three things if he wins tha election: to ban fox-bunting and the herbicide 245-T and, perhaps most controversially of all, to extend local authority planning controls in farmland.

It has to he said, however, that as the big parties make their pitch for the green vote, the idea of a coalition of 3m nature lovers and ecologists along the lines of the German Greens is fanciful.

Of the many explanations for the rise of tha German Greens to a place in the Bundestag, [...] or at least peculiarly un-British: the electoral system, the gap on the left caused by years of centre-led SPD government, the German neutrality and disarmament question, the country's affluence and its tradition of confrontational mass movements all played a part.

So Mr Wilson was no doubt wise when he told this week's rally that now is not the time to start trying to form a green party, although to say so was less than tactful in the presence of Mr Jonathon Porritt, whose Ecology Party has for some months been styling itself the Britishg reen party.

The Ecology Party, founded in 1973, has yet to prove its effectiveness, however, having built its national membership to almost 7,000 at the time of the 1979 General Election, when it fielded 53 candidates who won 1.6 per cent of the vote in the seats contested. Since then, membership has slid to below 4,000.

At the next election, the party expects to put up more than 100 candidates, wbose main platform will be anti-nuclear issues, underpinned by the global conservation and an economy which, without growth, will create socially useful jobs and guarantee everyone a basic income through a form of negative income-tax.

Des Wilson: Luminous

The political self-contradic[tions ...] *disarmament*, for example, is a cause supported by many of the newer-style ecological groups, but not automatically hy your average birdwatcher or rambler. Likewise, the fact that Mr Wilson wants green supporters to unite around proportional representation ignores the fact that the many of them who do support nuclear disarmament see active support for the Labour Party, which is devoutly opposed to proportional representation, as their hest hope.

Nor are pressures like these relevant only in theory. The Conservation Society, which was *formed* in *1966* and whose reports come printed upon Armageddon recycled paper, split down the middle two years ago over nuclear weapons and, following the resignation of several leaders, was then obliged to rescind its unilateralist position.

It is also a fact that the environmental groups have lost as many battles as they have won. Twelve years after achieving prominence by dumping 1,500 disposable bottles on tha doorstep of Schweppes, Friends of the Earth is still trying to [get com]panies to use returnable bottles. On nuclear power, few environmentalists expect to do hetter on Sizewell B than they did on Windscale.

Against that, however, there have also heen successes. The whales (remember them?) have been saved. Road building policy has become more sensitive and the 1981 Wildlife and Countryside Act, for all its alleged *shortcomings* was an undouhted step forward.

It is possible to argue, in fact that the vast and ramshackle army of British enthusiasts has been more effective in practice in protecting the environment than the more directly political movements elsewhere in Europe.

The significance of Des Wilson's appearance in the green vanguard is not that it means the movement will now be welded into a coherent political voice, hut the reverse. Mr Wilson is a campaigner, probably the most effective in the British business, and he will seize on single issues with that sense of timing and the true marketer's lack of fear for over-simplification which has [...]

LABOUR NEWS

Non-TUC railway federation encouraged by Minister's letter

BY JOHN LLOYD, LABOUR EDITOR

A GOVERNMENT Minister has written to leaders of the breakaway, non-TUC rail union in terms which they will take as encouragement to attract members away from the established unions and achieve recognition by British Rail.

In the letter, Mr John Selwyn Gummer, a junior Employment Minister, says that where members of the three major rail unions—the National Union of Railwaymen, the white collar Transport and Salaried Staffs' Association and the train drivers' union Aslef—leave these unions and thus risk dismissal under BR's closed shop agreement with them, then "we would of course hope they (BR) adopt a flexible and tolerant approach."

Mr Gummer's letter was written to Mr Hal Miller, Tory MP for Bromsgrove and Redditch for hims to pass on to Mr Derek Gladwin, a member of the executive of the Federation of Professional Railwayworkers and a constituent of Mr Miller's. Mr Gladwin had, through Mr Miller, sought government guidance on the legality of recruiting new members.

BR has said it will not attempt to sack members of the three main unions who leave them because of fines or other disciplines imposed by these unions for refusing to obey strike calls last year. However, that protection does not extend to those who leave for other reasons.

Mr Gummer's letter notes that position, but continues: "It seems to me that the only BR employees not already covered by BR's guarantee who might be protected against dismissal are any who can satisfy a tribunal that they have conscientious objections, or objections of a deeply-held personal conviction, about being a member of any or a particular trade union."

He says that those members who feel they are protected in this way should point out the fact to BR

Mr Gladwin said last night: "That is very significant for us, because we can say to those members of Aslef or NUR who might disagree with the political views of these unions that they would have a good case for leaving them." Mr Gladwin said that the federation's legal advisors had said such a defence would be successful in a tribunal.

Mr Gladwin said the letter was obviously sympathetic and pointed to the final sentence, in which Mr Gummer said: "We will watch the progress of the federation with interest."

The NUR yesterday met BR to stress their opposition to recognition being accorded to the federation. BR said after the meeting that it had said no such recognition had been accorded, and that the federation's small size was a major factor in withholding it. It said, however, that different circumstances in the future could mean a review of that position.

Mr Gladwin said that a letter to BR asking for talks on recognition would be sent next week, at the same time as membership packs go out to the membership, claimed to be nearing 1,000. He said new members, from existing rail unions and from middle and senior management, were joining at a rate of 15-20 a day and that the federation controlled a number of branches, particularly in the north.

The NUR is aware of the danger of large-scale defections and its new general secretary, Mr Jimmy Knapp, will ask the annual conference to declare an amnesty for all those who did not take part in the strike. Mr Knapp, a left-winger who is attempting to heal the wounds in the union after the resignation of his controversial predecessor, Mr Sidney Weighell, believes that an amnesty would take the steam out of the federation.

● The NUR, one of the few unions which still takes a multilateralist position on nuclear weapons, is likely to join the unilateralist majority in the Labour movement at its June conference. A large number of motions support the unilateralist position, as does Mr Knapp.

Liverpool dockers resist lure of redundancy payoffs

BY OUR LABOUR EDITOR

A SIGN of resistance to large redundancy payments has come from Liverpool docks, where the port employers have been unable to attract sufficient volunteers for a redundancy programme paying up to £22,500 to meet a target of 325.

In recent years, acceptance of high payoffs by workers in the coal, steel, shipbuilding and other industries has effectively defused union resistance to closures.

Just over 100 dockers had applied for the scheme when it closed last night. Last year, some 1,000 men in the docks took voluntary settlement under similar terms.

Union officials in the port say that attitudes have hardened since the previous year, as the average age of dockers declined and they have seen their former colleagues unable to find work in an area where unemployment is now reaching 20 per cent.

Mr James Symes, Mersey district secretary of the Transport and General Workers Union—which has opposed the programme—said last night: "The men have had second thoughts this time and I would not be surprised to see the offer reopened a few months' hence."

Bifu threatens action

BY BRIAN GROOM

THE BANKING, Insurance and Finance Union yesterday threatened industrial action by 1,500 members at London, Manchester and Skelmersdale if the Co-operative Bank makes anyone compulsorily redundant.

The bank, which recently reported a fall in profits of nearly 60 per cent, told Bifu last week that it wanted to cut 250 from its 3,200 staff within a month. The union expected most of the redundancies to be compulsory

Bifu said the bank agreed yesterday to meaningful negotiations, which will start on Wednesday, although it did not withdraw the threatened redundancies. The union will propose alternative methods of saving money. Talks will include the possibility of reaching a job security agreement.

In the meantime negotiators will ask Bifu's national executive to authorise a ballot next week on unspecified industrial action, which could be implemented if the Co-op went ahead with compulsory redundancies.

Bifu will ballot members in office departments, which are those affected by the job cuts. Computer staff will be included, but members in domestic branches will not be involved.

Pressure for union reform builds up

BY JOHN LLOYD, LABOUR EDITOR

FURTHER business support for radical reforms in the internal structures of trade unions has come from the Association of British Chambers of Commerce.

The chamber has sent out a briefing paper to all MPs, saying it believes that: "The time is ripe to equip the state with further remedies to ensure that industrial recovery is not accompanied by a return to industrial anarchy."

Like other employers' and business groups, the chamber believes there should be a requirement for secret ballots for union executives. It says employers would be prepared to assist the process by distributing ballots in wage packets.

The paper says that unions which did not comply with the requirement to institute a balloting procedure would initially be fined and, if they persisted, would lose the right to tax relief and eventually their immunities from legal action.

It believes there should be a legal requirement for ballots on strikes in the essential services, defined as gas, electricity, water the civil service dealing with revenue.

In other industries, strike ballots would be triggered by a minority — say 5 per cent — of the workforce calling for such a ballot.

The Chamber also follows received wisdom among employers in calling for a reversal of the contracting out system of paying a political levy to one of contracting in, as a means of "enhancing the democratic rights and freedom of choice of trade union members."

It also suggests two further areas of reform, both arising from the recent strike in the water industry. First, it says the Government should examine the possibility of compensation for individuals or businesses affected by strikes when agreed procedures are ignored; and second, arbitrators should be required to take account of the public interest.

The chamber says: "Now is the time to equip the state with remedies which may, if carefully drafted and exercised, ensure that industrial recovery in Britain need not mean a return

THE WEEK IN THE MARKETS-1

Equities fail to find grip

LONDON

ONLOOKER

The most encouraging CBI industrial survey for seven years and a return to work vote of BL's Cowley plant were just the extra ingredients needed to push the FT Industrial Ordinary share index through the 700 mark early on Wednesday.

But the cautionary tone set last week continued to pervade the air and not even record breaking world equity markets could sustain the advance. It finished the day at a tantalising peak of 699.

The following day ICI provided a new stimulus in the form of the best three month figures since early 1980. The index peeped over 700 again but equities never mustered enough drive to hold it over the psychological barrier through to a close though the much broader measure of the FT All Share index pushed ahead at record heights.

Gilts were left very much out of the limelight. After taking some strength from the effect of firmer oil prices on sterling, the sparkle evaporated. The only excitement was provided by a unique offering of £1bn convertible index linked stock.

The FT Index closed at 695.3 up 7.3 on the week.

ICI buoyant

The ICI pre-tax profits figure for the first quarter of 1983 of £128m was higher even than th erevisd forecasts made by analysts last week in response to the chairman's optimistic statement.

About half of the improvement over the previous quarter came from favourable currency movements, particularly in the sterling-Deutsche Mark exchange rate. But as ICI is a capital intensive business with high fixed costs, even the small increase in volume sales had a substantial effect on the bottom line.

Losses were reduced in the petrochemicals and plastics division while fibres and organics, which made losses last year, were close to breaking even at the trading level. Particularly good results are to be found in those divisions whose products come closest to the consumer, such as pharmaceuticals.

Although some of the facto which boosted the first quarter's result may be of a temporary nature, particularly the exchange rate movements and the fall in the price of naphtha, analysts are now forecasting full-year profits of approaching £500m.

Carpets shake up

Carpets International's results for 1982, announced on Wednesday, showed a pre-tax loss for the third successive year, up from £2.39m in 1981 to £5.58m and £10.14m on a CCA basis. But the stock market showed little interest in what had happened before last December when the company was thrown a lifeline in the form of an injection of U.S. management and capital from its Interface Flooring Systems associate.

The share price has risen from 11p in January to 61½p this week. One factor has been the upturn in the fortunes of the UK carpet industry which began last September following the lifting of HP restrictions and has been prodded along by an increase in house-moving. The fall in sterling has stemmed the flood of imports, although there are few signs yet of an upsurge in exports.

The management reported a profitable first quarter for 1983, thanks to an improvement in sales both in the UK and Australia. The stock market is now looking forward to the prospect of Interface using its options and convertible loan stock to gain majority control of the company.

The £2.5m cash injection from Interface in December was essential in allowing the company to carry out the long-postponed programme of drastic reductions in its administrative and sales staff. In December, CI's short-term bank borrowing amounted to 83 per cent of shareholders' funds.

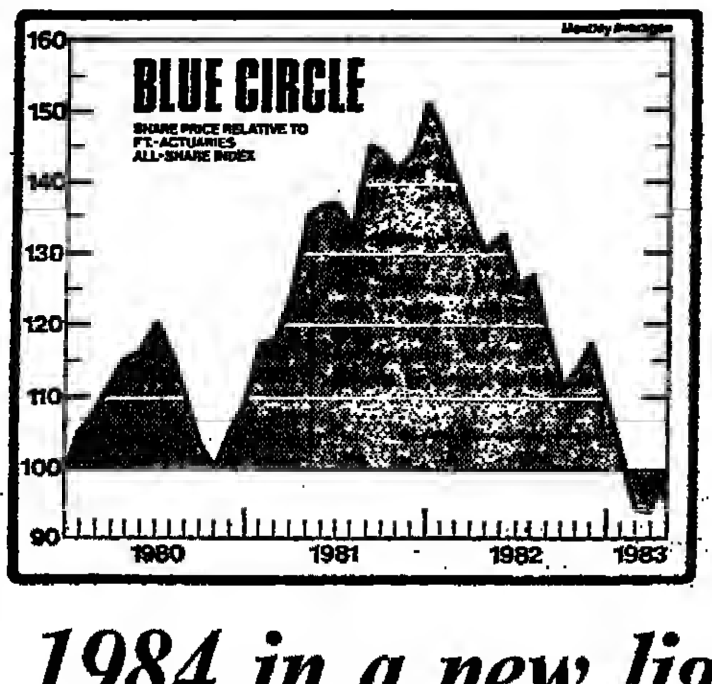
But now following the sale of shares in Interface, which recently went public in the U.S., the gearing ratio is sliding down comfortably towards 50 per cent.

The 750 redundancies to be achieved by June will reduce the UK labour force to 2,500 from a peak of 7,700 in the mid-seventies, with less than half employed on the administrative and sales side. The companies operations, which used to sprawl haphazardly, are now concentrated in only two centres.

Apart from its continuing struggles with new machinery, CI's primary weakness lies in its marketing. The Crossley, Kosset and Gilt-Edge brands have been allowed to wilt in an undisciplined retailers' market. Hopes are now pinned on the flamboyant new chairman, Mr Roy Anderson, who will be spending one week a month in the UK.

But his success at Interface came through selling tile carpets on contract to offices in the U.S., while about 75 per cent of CI's sales in the UK are for the residential market and are mainly of woven and tufted carpets. But a growth in tile sales is now promised both to offices and even hospitals.

One cloud on the horizon is the anticipated rise in the price of raw materials, particularly wool and nylon, later this year.



Builders mixed

Few UK construction companies who raced into lucrative contracts with rich oil producing countries overseas in the mid-1970s can fail to have felt a distinct chill from those quarters in the past year.

This is especially true of John Laing and George Wimpey, whose 1982 results, announced last Thursday, both revealed a significant drag from their activities in oil-based economies.

Laing's pre-tax profits slumped by £4.84m to £1.35m, hurdened by £5m written off against a virtually abandoned half-built dam in Venezuela and provisions of £4.5m for losses arising from the possible non recovery of contractural debts in the Middle East.

Exceptional and extraordinary items of £19.2m include about £18m which Laing attributes to unreliable information. But for these difficulties, Laing looked on target for a substantial improvement in profits, which in the UK, nearly doubled to £21.4m.

The company feels sure that all appropriate provisions have been made for its overseas problems and point out that its current order book has improved. At the same time, net liquid funds have grown by £13.8m, producing cash balances of £50m at the end of the year, against borrowings of £26.2m.

The total dividend was maintained at 2.875p net, with a same again final of 1.875p.

Wimpey's overseas difficulties were less dramatic. But its pre-tax profits, up 7 per cent to £45.7m, picked up less than £1m from its associated companies—mostly based in the Middle East—which contributed £15.2m in 1981.

Depressed land and housing markets due to high interest rates in Canada meant losses in that area almost overwhelmed a lively performance from the U.S., where Wimpey increased both turnover and profit in its construction and civil engineering companies in spite of competitive trading conditions.

In common with Laing, Wimpey's brightest spot was in the UK. In response to an aggressive marketing drive and a general increase in private housebuilding activity, unit sales increased 15 per cent from a 1981 low of 7,300 houses to 8,400.

The gain in sales growth was almost entirely concentrated in the second half and has since increased momentum. The group reports that legal completions of Wimpey homes were 30 per cent up at the end of last month compared with March 1982.

With a final payment of 2.15p, the total dividend was increased to 3p in line with the growth in profits.

Tarmac record

Tarmac achieved record profits up 32 per cent at £88.7m. Hoveringham has proved to be a most successful addition to the Quarry business where it contributed 52 per cent of trading profit. The construction and housing divisions began to show the results of the upturn in these sectors and should come through more strongly in 1983.

Tarmac finished the year with a strong balance-sheet. A reduction in net debt, alongside a property revaluation, has brought gearing down from 28 per cent to 18 per cent of shareholders' funds and return on capital employed for the group is now a very high 26 per cent.

The share price has risen strongly over the last few years, as profits have been boosted in spite of the recession. The board pushed up the dividend by 19.5 per cent.

Tarmac's quality has been reflected in its share price for the last couple of years, and the shares are accordingly vulnerable to profit-taking. Nevertheless, the current year promises strong volume growth in key divisions and pre-tax profits should rise well above £80m.

Blue Circle slips

Blue Circle, one of the three largest cement manufacturers in the world, has been neglected by investors over the last 18 months.

Shareholders were warned that the company's heavy exposure in Mexico and Chile would prove costly, and in the event, these troubled countries wiped £37m off Blue Circle's trading profit. This downturn was partly absorbed by good performances elsewhere, particularly in the UK, where profits increased by 25 per cent. The gains came mainly from productivity improvements although volume rose by 4 per cent.

Overall group profits for the year to December slipped £14m to £90m. Overseas operations in Malaysia, Nigeria and Australia showed substantial growth in profits, providing further relief for the troubled Americas.

Blue Circle faces another difficult year of trading. Though the situation in Mexico has eased, it cannot expect a return to the 1981 level when the Americas contributed £44.8m.

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1983 High	1983 Low	
F.T. Ind. Ord Index	695.3	+ 7.3	699.0	598.4	Firm but jibbing at 700
F.T. Gold Mines Index	613.7	−30.2	734.7	531.5	Overshadowed by equities
Beales (John)	96	+25	100	61	Munton buys 25.7%
Bellair Cosmetics	198	+120	210	17	Wasskon buys 76.2% stake
CRA	267	−28	297	214	A$205m rights issue
Carpets Int.	61½	+ 9	62	11	Recovery hopes
Clarke (Clement)	215	+36	224	164	Bumper results
Davies and Newman	198	+52	195	70	Good results/scrip issue
Exco Int.	633	−42	745	337	Profit-taking after Telerate debut
Grattan	46	−12	86	42	Intimated Sears bid withdrawn
ICI	478	+10	490	350	1st quarter profits above ests.
Laing (J.)	124	+25	124	61	Recovery prospects
London and Liverpool	280	−80	700	255	Withdrawal from Telejector deal
London Brick	158xd	+12	164	124	Takeover spec./Brick sales up
Marks and Spencer	221	+12	225	191	Results due next week
Minster Assets	103	+12	118	77	Speculative demand
Polly Peck	£15¼	− 4	£35¼	£14¼	Adverse comment
Tate and Lyle	336	+18	340	220	Int. results due soon
Telephone Rentals	185	+16	185	146	Preliminary figures
Wimpey (G.)	148	+10	159	114	Good results

1984 in a new light

MINING

KENNETH MARSTON

MERCIFULLY, the picture painted of life in 1984 by George Orwell is unlikely to come about. Hopefully, that sketched by the Rio Tinto-Zinc Corporation chairman, Sir Anthony Tuke, and other mining industry spokesmen, will be accomplished.

In his statement this week with the RTZ annual report Sir Anthony takes a hopeful, but cautious, view of the developing world recovery: there have been false starts before. "There are, however, mounting indications that 1983's economic performance will improve on the year's earlier modest predictions."

He adds: "At least the road now points in the right direction," but, "we may well have to wait until 1984 before any worthwhile recovery in the world economy comes through to those of us who provide raw materials."

He feels that over the next decade the rates of growth in demand for metals will be slower than the average seen so far in the post-war era and the mining companies are going to need to hold costs in check; as I pointed out last week many of them are doing just this in slimming down after the past fat years.

Similar views are held by others in the industry and the fact that nobody is being carried away by delusions of a huge bonanza lying just around the corner is no bad thing. In Australia, they know only too well the troubles that can spring from an unguarded "boom philosophy".

Still, this does not alter the fact that RTZ and the rest of the mining industry is already in a better year and that present indications are that 1984 will bring more exciting things. On this basis RTZ shares remain a "hold".

So, too, do those of the group's Australian arm, CRA. This week they have dropped 30p to 267p following news of a A$206.5m (£114.9m) rights issue which impinged on a market due for a technical correction. But they will get over it.

CRA is raising the money to ease its financial position after the big spending that has been made in recent years. Shareholders are not being asked to put up too much new money in relation to their existing holdings, the terms of the issue being one new share at A$3.80 (about 211p at current exchange rates) for every eight shares held.

Holders who do not want to subscribe to the issue can sell their rights to do so in the normal way. CRA shareholders are also being offered further shares on a one-for-20 basis at a higher price of A$4.25 (236p), but this is a take-it-or-leave it offer; they cannot sell their rights to this one.

It comes about because the parent company, RTZ, is not taking up all its entitlements, as a shareholder, to the CRA issue. This is because the UK-based RTZ has to reduce its percentage shareholding in CRA under an agreement with the Australian Government which objects to too much foreign ownership of the country's natural resources. So RTZ is, in effect, offering to sell its surplus "rights" to other shareholders of CRA.

To this end, RTZ has also sold this week 10m shares of its holdings in CRA. The net result, after the new issue, is that RTZ's holding in CRA will fall to 52.9 per cent from 57.2 per cent.

Meanwhile CRA, which staged a sharp recovery in the second half of last year, should do very well in 1983. In short, the share offer looks to be worth taking up.

The new Argyle diamond mining operation Western Australia has made its first commercial sale of 200,000 carats this week at a price believed to be around U.S.$11 per carat.

CRA has a stake of 56.8 per cent in the venture with Ashton Mining holding 38.2 per cent and the remaining 5 per cent belonging to Northern Mining which is owned by Endeavour Resources, the last-named being some 39 per cent-owned by the Bond group.

During the first quarter of this year Argyle has produced 642,000 carats from the alluvial deposits at the property. The latter operations will largely pay for the further development of the Argyle which will embark on its real earning power when the big AK-1 diamond pipe comes into production in 1985.

Over the past 10 years more than A$100m has been spent in bringing Argyle to the present stage. A further A$450m will be needed to bring AK-1 to production and a decision on this major step forward is to be taken by the partners later this year.

It is a foregone conclusion that the development of AK-1 will go ahead, especially now that the market for diamonds really has turned the corner.

The bulk of the Argyle output is to be marketed by De Beers' Central Selling Organisation and optimism for the diamond market has been the thread running through the annual statement of Mr Harry Oppenheimer, in De Beers' annual report this week.

But like Sir Anthony Tuke and the other mining spokesmen, Mr Oppenheimer is not to be carried away by the first signs of spring in his market. World sales of diamonds, including the industrial material, are picking up but the market for the larger and top-quality gems is still very sluggish.

"Confidence has been restored in the market," says Mr Oppenheimer, adding that he expects demand to grow and broaden into the higher qualities of diamonds as the general economic conditions improve. The late, and lovely, Marilyn Monroe would have understood this.

But he sees no rapid return to prosperous conditions, feeling instead that "short of a further setback in the world economy a solid base has been established from which a gradual improvement in sales and profits can reasonably be hoped for."

Judging by the rise in the share price since De Beers announced in mid-March a 30 per cent fall in 1982 net profits, the share market may be looking for more exciting things.

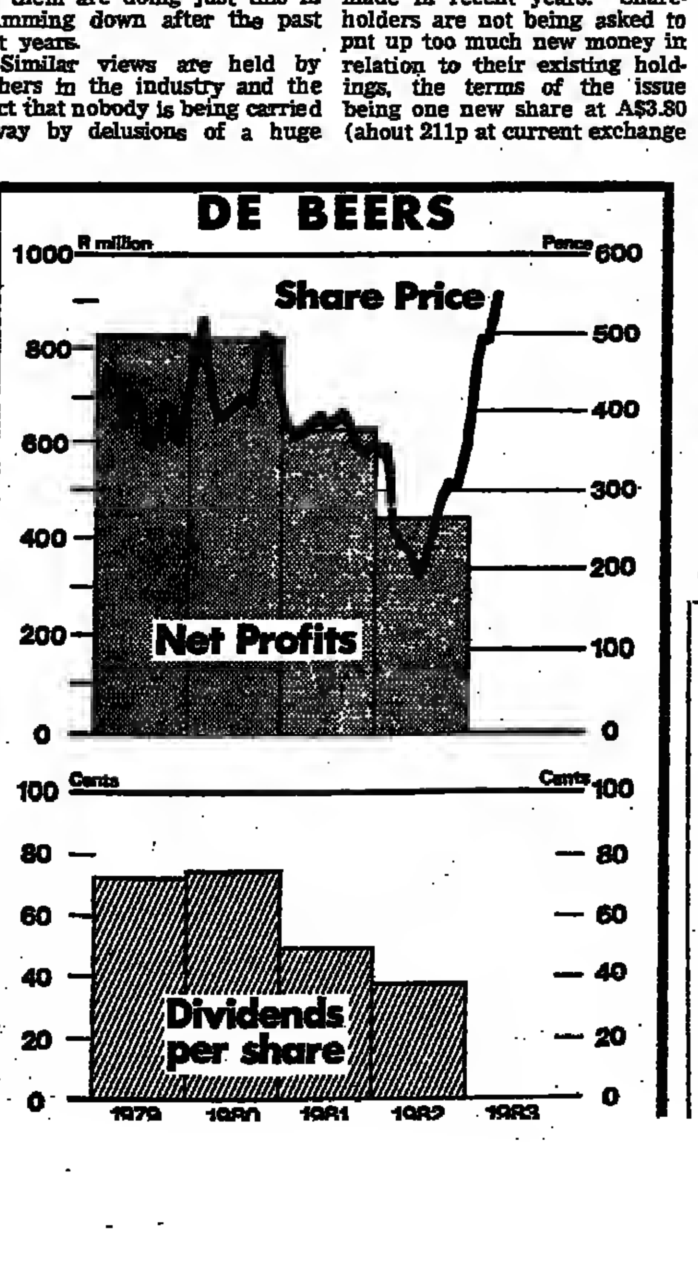
Share buyers may be relishing the big profit potential to be realised from the eventual sale of much of De Beer's huge stockpile of unsold diamonds which was worth R1.83bn (£1.08bn) at the end of last year — considerably more than the total value of world sales in that year.

That stockpile is going to take some shifting, especially now that De Beers has completed its mining capacity expansion programme to a potential 19m carats compared with last year's production of 17.4 carats.

In the meantime, De Beers must set about rebuilding its finances which have been strained by the cost of carrying the huge stockpile and a conservative dividend policy looks to be in prospect.

After having experienced the trauma of reducing its dividend in both 1981 and 1982 following a previous impeccable record going back some 37 years, the group is not going to risk this happening again.

The shares with a modest yield of 4 per cent are thus only for the very patient, or for those who can use them advantageously as a vehicle for moving funds around.



SAVINGS OFFERS

U.K. CONVERTIBLE STOCK 30/4/83

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates♣	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div♡	Cheap (+) Dear (−)◇ Current
British Land 12pc Cv 2002	9.60	306.50	333.3	80-97	4.0	0.8	2.2	−3 to 8	30.1	87.8	19.2	17.1
Hanson Trust 9½pc Cv 01-06	81.54	190.00	107.1	85-01	5.2	3.3	−4.1	−6 to 71	17.3	72.9	−22.4	−18.3
Slough Estates 10pc Cv 87-90	5.03	252.00	234.4	78-84	4.0	—	−4.0	−8 to −0	18.0	9.5	− 3.2	0.8
Slough Estates 8pc Cv 91-94	24.72	116.50	97.5	80-89	7.0	5.8	6.7	3 to 12	29.5	−35.1	5.2	− 1.5

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness. ♣ Second date is assumed date of conversion. This is [illegible]

MARKETS-2

Bonds look bullish

GRIM news from America. The cover story on the latest issue of "Business Week" is entitled "the rebirth of equities." Nothing so bad about that, you might *say—except that it was this* same excellent magazine which ran a celebrated article at the bottom of the market in 1979 lamenting the death of the equity.

Did anyone hear a bell ringing out there?

If so, no-one is paying much attention. The market has continued its upward climb this week, trading volume has been heavy, and on Tuesday the Dow Jones Industrial Average closed above 1200 for the first time.

Many of those trigger happy fund managers who had been waiting on the sidelines for the famous correction have now jumped into the market with both feet. It probably would not be all that surprising if Wall Street was now to embarrass them again by falling back a little.

However there has been an extra element behind this week's bullishness, which is that the bond market has at last been showing signs of renewed confidence. The tangible evidence of this is rather flimsy at present. Although the yield on long term bonds edged

NEW YORK

RICHARD LAMBERT

down a shade in the latter part of the week, and three month Treasury Bills have rallied a little, the key Federal Funds Rate has stubbornly refused to go lower.

But people are beginning to talk about the market in a rather different way. The upward pressure on the money supply numbers seems to be *just about* over, and there appears to be less concern about a new burst of inflation. In addition, the economic recovery looks too gentle to pose any immediate threat of surging demands for credit and thus of an upward movement in interest rates.

The general mood now seems to be that interest rates are likely to move lower in the next few months. Once again, there is talk that the discount rate—which has not budged since December—might be about to go down.

The equity market has also been encouraged by rather good results from a select group of giant oil companies. Indeed it was news of the first quarter figures from Standard Oil of California which triggered Tuesday's successful attack on the Dow 1200. Most of the oil companies are actually reporting quite steep profit declines for the first three months of 1983, as a result of lower prices and keen competition in U.S. *refining and marketing.*

But a handful of the majors—those that buy crude oil from Saudi Arabia—have gained from the price cuts, to the extent that they are no longer having to pay way above the market price for their crude supplies.

This week brought results from all four of these companies, Exxon, Mobil, Standard Oil of California and Texaco, and by and large they were a pleasant surprise. Exxon and Standard Oil both reported *improved profits, and Mobil would* have been marginally ahead too, but for an accounting change. Although Texaco's earnings were down, they still prompted at least one analyst to increase his forecast for this year's outcome. *Most of these shares have* moved up smartly in the past few days, and they are probably selling at somewhere between 6½ and 8¼ this year's likely earnings.

per cent ,but analysts decided that most of the growth had come from new stores, and that existing units were being squeezed by increasing competition.

In particular, Burger King, a *subsidiary of Pillsbury,* is saying the rudest things these days about Big Mac's juicy offerings. Whatever the explanation, the shares have fallen by almost a tenth during the past week, and sell on an historic price earnings ratio of just over 13.

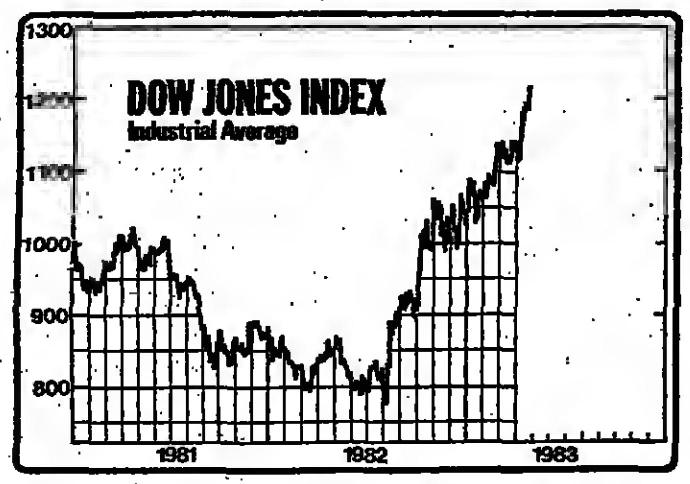
The volatility of the market as a whole can be seen in the recent performance of that favourite speculative play, *International Harvester.* Its shares spun ahead in the early part of the week, before being socked back by an unkind article in yesterday's Wall Street Journal.

At the top, the company was being valued at around $450m—not bad, considering that it has no net worth to speak of, and is still bathing in red ink.

However not all the company results published this week have been cheering. There have been a lot more red numbers from th eairlines, for instance, with the 11 major carriers that have reported 50 far showing combined operating losses of roughly $520m, up fro mabout $485m in thesame period of 1982. One that stood out like a sore thumb was Delta, a company with a record second to none in the airline industry. But one which has been running through quite a turbulent patch over the past year.

Delta's net loss for the quarter more than doubled to $39.5m, and the company blamed "almost suicidal" *fare* wars for the setback. This competition has turned a 21 per cent rise in passenger volume into a gain of under 3 per cen tin passenger revenues. The group says that things had started to look up again this month, but the shares still stand well below their recent highs.

MONDAY	1187.21	−9.09
TUESDAY	1209.46	+22.25
WEDNESDAY	1208.40	−1.06
THURSDAY	1219.52	+11.12



FINANCE AND THE FAMILY

Indexation of CGT

I find some difficulty to understand the method and arithmetic used to arrive at the tax due when indexation is applied to the assessment of CGT in the reply published on March 26 under Indexation of CGT.

Would you please detail the calculation and the tax due on the following example presently in my family, a widow born January 26 1920 with no other gains in tax year 1982-83?

A property bought for £2,000 on August 6 1953, sold on January 26 1983 for £28,555 net of expenses, making a gain of £26,555.

What is the percentage by which this gain is reduced having regard to the RPIs and the property values at April 6 1965 and January 26 1983?

Here are the figures:

	£	£
Sale proceeds (contract 26.1.83) ...		28,555
Cost (contract 6.8.53)	2,000	
Indexation allowance at 4%	80	
		2,080
		26,475
Less:		
6.8.53 to 6.4.65 ie	4,281	
6.8.53 to 26.1.83 ie	10,765	
		10,480
Chargeable gain ...		15,995

For it to be worthwhile electing for the house to be deemed to have been bought on April 6 1965 (under paragraph 12 of schedule 5 to the Capital Gains Tax Act 1979) the owner would have to be sure that the District Valuer would agree (after she had irrevocably elected) that its value on that day, with a sitting tenant (presumably), was more than £12,076:

	£	£
Sale proceeds		28,555
April 6 1965 value say	12,076	
Indexation allowance @ 4%	484	
		12,560
Chargeable gain ...		15,995

1982-83 CGT payable by December 1 @ 30% on £10,995 (£15,995 minus £5,000 exempt in 1982-83) = £3,298.50.

Shares in lieu of dividends

A number of the Jersey-based currency funds are prepared to issue shares in lieu of normal dividends. Would the position be that there would be no income tax liability but a charge to capital gains tax if the shares were sold?

Yes, under the practice adopted by the Inland Revenue from May 19 1971 (mentioned, for example, in article C2.203 of Simon's Taxes), subject to the possibility of attack under section 478 of the Income and Corporation Taxes Act 1970. Nothing in the Finance Bill (as published on March 30) affects this point.

Age relief and tax recovery

I look after the finances of my 83-year-old mother-in-law, who has the State Pension, Building Society share accounts and NSB Investment account. I try to arrange the relative amounts in these accounts so that she has an income from pension and N.S.B. just less than the age allowance, and therefore avoids income tax, except that built into the building society dividends. For the 1978-79 and 1979-80 tax years this was achieved, but due to a legacy, the non-indexing of allowances for one year and some delay on my part, she was correctly assessed for and paid tax of £268.20 for 1981-82, based on the 1980-81 income, and £204.90 for 1982-83 based on the 1981-82 income. The actual income for 1982-83 will be within the age allowance. Therefore, it appears to me that, if she closes her N.S.B account on April 1 1983, holds the money in a Building Society, then reopens the N.S.B. account on April 30 1983, 1982-83 will count as last tax year for this source and should be taxed on current year basis and £204.90 be recoverable. This all appears too simple, is there a fallacy?

Provided that you bear in mind that (a) closing the N.S.B. account may increase the amount of interest actually credited in 1982-83; (b) the 1981-82 assessment will be increased, if the interest credited in 1981-82 was greater than the 1980-81 amount; and (c) April 1 1983 was Good Friday: then your plan is sound. It would have been easier to help you if you had given us precise facts and figures for each year. For the future, you could insist that your mother-in-law's case III assessments be made on the statutory basis, as confirmed in Hart (Inspector of Taxes) v Sangster.

Liability for VAT

I have followed with interest your answers to questions about VAT and building work on March 12 and in Finance and the Family on occasions. May I ask three further questions? (1) Is the owner of the property or the builder responsible for deciding which part of any works is repairs and which part is new work to be zero rated? (2) If a builder renders an account for repairs without charging VAT, can the owner charge the costs of the repairs to revenue account, or does the failure to pay VAT require the costs of repairs to be charged to capital account? (3) Which of the two parties, owner or builder, is ultimately responsible for paying VAT?

(1) In practice the builder will make the decision as to whether to charge VAT or zero rate the particular job. If the customer disagrees the Customs & Excise can be asked to give a ruling. If that ruling is disputed by either party an appeal lies to the VAT Tribunal and then the Courts.

(2) We are not sure of the meaning of your question but if you are referring to revenue or capital account in relation to taxation the answer is that VAT and direct taxation are quite separate. What is revenue for income tax is decided on the principles which have evolved in relation to that tax. The view a builder might take in relation to VAT is of no relevance to the income tax situation of his customer.

(3) It is the builder who is responsible for accounting to the Customs & Exise for VAT. The customer has no liability to the Customs & Excise.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

American wife's tax in UK

The answer published on April 16 under "American wife's tax in UK" was written before the Budget. As reported in the FT on March 16, the CGT rules for bank accounts maintained overseas by people domiciled outside the UK are being changed for 1983-84 onwards, by clause 6 of the Finance Bill: losses will no longer be allowable, and gains will be chargeable on the remittance basis. For other UK residents, however, the rules remain unchanged: losses are allowable, and gains are chargeable even if unremittable.

A transfer in specie

With reference to our reply last Saturday under the heading A transfer of specie it has been pointed out to us that section 56 of the 1979 Capital Gains Tax Act gets a person off the CGT hook in the situation described, in conjunction with section 55 (1) as rewritten by section 84 (1) of the 1982 Finance Act.

Even where there is a potential CGT charge on assets leaving a trust, rollover is generally available, under section 82 of last year's Act.

YOUR SAVINGS AND INVESTMENTS—1

DECLINING interest rates and inflation since the start of the year have made equities look an increasingly attractive way to make money, with many investors reported to be re-entering the market after several years' absence.

For a small investor—with less than £10,000 to spare—a managed fund represents the safest solution. Most fund managers agree that investors should think of equity money as risk money, so you should not invest cash you cannot afford to lose and you should do everything possible to spread your bets. This means building up a portfolio with a spread of shares, which is

William Dawkins looks at the prospects for world equity markets

Experts' pick of equity markets

hardly cost effective when small sums are involved. Investment and unit trusts can offer the same spread in your favoured area more cheaply.

That leaves one with the choice of which management group and which area to go for. In the first quarter of this year, the sportiest performance came from some of the smaller markets. Sweden led the pack with a 50 per cent return in sterling terms, followed by Hong Kong, the Netherlands and Singapore, with sterling increases of between 31 per cent and 36 per cent.

However, big institutional investors like to keep the bulk of their equity cash in larger and less volatile markets. Wall Street, for instance, produced 20 per cent sterling rise in the first three months, while Tokyo increased 12 per cent.

But it is also important to recognise that indices may not be everything. The FT Industrial Ordinary Index and the Dow Jones Industrial Average, for instance, reflect the performance of leading industrial companies more accurately than the market as a whole.

What is a good guide, however, is a more or less worldwide move towards improved corporate profitability, which should favour U.S. and Japan. Declining inflation, on the other hand, tends to make markets heavily linked to commodity prices — like Malaysia's—less attractive.

Now that the pound has strengthened again, most experts see it holding its own over the next year on the back of stable oil prices, although an election may well produce a few hiccups.

But there are still cheap currencies around. Yen bulls point out that the Japanese currency continues to be undervalued and could benefit from any weakening in the dollar.

Ideally, one should look for an investment which would take advantage of both corporate and currency gains. In January, we asked some of the experts where they put their money. Now we ask them to review their predictions.

CLIVE FENN-SMITH, LORD REMNANT, PADDY LINAKER, PHILIP HOWARD, TOM GRIFFIN, NORMAN RIDDELL, HARRY LITTLEFAIR, JOHN MANSER, JAMES FERGUSSON

● **James Fergusson — James Capel stockbrokers.**

IT IS much more difficult to take any one market which seems likely to outperform the rest, although as a general strategy we prefer equities in the major industrial economies to those in more commodity related markets. The underlying statistics for Wall Street and elsewhere are still not too demanding. In the U.S., we are concentrating on stocks which have been left behind recently, such as pharmaceuticals, apparel companies and the trucking industry. In Japan, the immediate focus probably remains on the cyclical and asset stocks which have been outperforming conventional blue chips just lately. Holland and Germany may well be among the best performers in the next few months as cyclical shares start to take over the running from the market leaders. Holland still looks intrinsically the cheapest, even though it has risen more than 25 per cent in local terms since January.

● **Lord Remnant — Chairman, Touche Remnant**

HONG KONG equities look attractive, but the market is still risky. If you get it right, you can double your money in two or three days—equally you could see it halved. Our investment trust, TR Pacific Basin, is 15 per cent in Hong Kong and that's the way it should be. Most of the rest is in Japan, attracted by the country's strong economy and willing workforce. I think U.S. interest rates will go down, which will weaken the dollar and strengthen the yen, perhaps by 25 per cent against the dollar this year. The remainder is in Singapore, which has been racing ahead, and Malaysia. So far this year, the trust has increased 28 per cent. There seems to be strong overseas interest in the West German market and we think it will go further. We are looking for something like a 10 per cent increase in the Commerzbank Index over the next 12 months.

● **Tom Griffin — Chairman, GT Management**

WE STILL feel fairly positive about Japan both from a currency and a market point of view. The yen is relatively cheap, but when it is going to move is another matter. The problem with our GT Japan Investment Trust is that it stands at a premium over asset value, so anybody going in now would be crazy not to go in for a unit trust. There is no point in paying over the odds for an asset value when you can buy a unit trust at par. GT Japan and General has had a very good record—at April 1, it stood at 49 per cent up year on year. The U.S. market has quite a long way to go yet, and we very much favour high technology industries there. Our unit trust for that area is GT Technology and Growth.

● **Clive Fenn-Smith—Managing Director, Barclays Unicorn Group.**

THE U.S. has done rather better than I expected. Barclays Unicorn America Trust is up 10.5 per cent from the start of the year, while our Greater Pacific Trust is up 5 per cent in line with the Tokyo market. From a currency point of view, I expect the Japanese market to do better, but from a market point of view, the U.S. should lead the way. As far as the UK is concerned, I am bound to feel a little bit nervous. Although the economic outlook continues to improve and the stability of oil prices is a good feature, political instability means that market is bound to be volatile. Some of the European markets should do very well, particularly the D-Mark block of currencies. But overall we think the European markets have been too dominated by the large banks and are not big enough to invest in for our purposes.

● **Harry Littlefair, deputy managing director, Allied Hambro**

THE BRITISH MARKET is too vulnerable to adverse election news and even if the Government is re-elected, the upside potential—taking a year's view—is not very great. We still recommend the U.S. because the political risks are less and prospective price/earnings ratios on Wall Street average around 10 or 11 compared to 13 in the UK. The best gains are to be seen in the smaller companies. Allied Hambro's Special Situations Trust — spread around 60 relatively unknown recovery stocks—has risen 27.6 per cent since January 1. With sterling falling from $1.63 at the year end to $1.57, of course there is a small currency gain.

● **John Manser — Managing Director, Save and Prosper Group.**

STERLING has been less weak against the yen than against the dollar, but individual share prices in the U.S. have held up better in Japan. We see further strength in the U.S. markets up to the presidential elections in November next year. A sharp rise in U.S. corporate profitability should fuel market increases, taking over from lower interest rates as the major driving force. The Japanese market tends to be firmer towards the middle and end stages of recovery in Western markets because it is so export led. So we predict a sharp rise in Japanese profitability in the second half of this year. For the medium term, I would put my money more towards Japan than the U.S.

● **Paddy Linaker—Managing Director, M&G Investment Management**

REAL INCREASES should take place in the Japanese markets later in the year as inflation is practically zero and the present round of wage bargaining should add impetus to consumer spending. We have already increased the consumer products and retail share of our M&G Japan and General Trust. In Australia, the devaluation of the A$ and confidence in the new government has helped push up our M&G Australasian and General fund 24 per cent since the beginning of the year. Gold seems relatively cheap at the moment at $433 an ounce and should rise above $500 by the end of 1983 as the U.S. dollar weakness and uncertainty increases. Our investment vehicle for this, M&G Gold and General, was launched at the end of last week.

● **Norman Riddell — Chief Investment Director, Britannia Investment Trust**

WE ASSUME good growth in the Japanese domestic economy which has not really materialised yet. Since January 4, the Britannia Japan Performance Trust has risen 8.9 per cent. This is below Hong Kong and U.S. funds but this is only April and for the smaller investor it's better to be in one of the less risky areas. There is good scope for investment in the U.S. markets but I am not too confident about the dollar holding its value against sterling. We still believe the UK market will be very rewarding. From time to time it has looked very overextended, but we are entering a period when some very good earnings should come through from companies which have cut their operating costs during the recession.

● **Philip Howard—partner in international division, Philips & Drew.**

AS FAR as currencies are concerned, we are more optimistic about sterling than we were. Over the next six months I can see the pound returning to $1.75 or $1.80, assuming Mrs Thatcher wins an election. There should also be some improvement against Continental currencies over the year. So the advantages of going overseas from a currency point of view are not that obvious. Having said that, we still like Wall Street. It's had a substantial gain, but has still further to go. We are looking at low multiple heavyweight stocks like IBM. In Japan, prospects for inflation and the economy suggest bonds may do slightly better than stocks over the current year. In Europe, attention may switch away from the bigger markets like West Germany to the smaller ones like Switzerland on a pure weight of money argument.

A cliff-hanger for Pentland

PRIVATE investors looking for a peaceful life by handing over their money to the Scottish managers of the Pentland Investment Trust have been bombarded by a stream of number-crunching documents over the past month as a result of the first-ever take-over battle between investment trusts.

The predator is the Throgmorton Trust, which by location, name and management style is too closely associated with the City of London to be palatable to the financial community north of the border.

The battle looks like being a cliff-hanger following Throgmorton's announcement this week that it had won control of 45.75 per cent of the shares in Pentland and would be extending its offer period until May 6. With an eye on Scottish national sentiment, the East of Scotland Managers, who control Pentland's portfolio, have produced a counter-proposal to merge Pentland's assets, worth nearly £55m, with those of two other Scottish investment trusts and to carve out of the resulting portfolio a battery of about five unit trusts.

Both the take-over bid and the Pentland counter-proposals are a partial consequence of pressures from institutional investors to reduce the size of the assets controlled by UK investment trusts, valued at around £14bn, and to spruce up the image of the sector. But the Pentland-Throgmorton battle raises two problems which individual shareholders in investment trusts have been asked to resolve frequently over the past 18 months. They are likely to recur in the future.

One problem is how to assess the quality of the portfolio management of an investment trust. The other is the pros and cons of converting a shareholding in an investment trust into units in a unit trust which they can cash in at any time.

Both Pentland and Throgmorton claim to be general investment trusts which do not put all their investments into particular sectors. But whereas Throgmorton has concentrated on small, and often unquoted, growth companies in the UK, predominantly in the service sector, Pentland has a more conservatively managed portfolio in larger companies but with about 45 per cent of its assets overseas, mainly in the U.S.

The performance record of two embattled trusts has been hotly disputed. But Mr Hamish Buchan of Edinburgh stockbroker Wood MacKenzie has produced an analysis that lends support to Throgmorton's case. He looked at the investments by country of the two trusts at the end of 1977 and then at the performance of the stock indices in those countries, using the FT-Actuaries All-share index for the UK. He worked out how much the portfolios would have increased in value if the trusts had merely invested in the constituents of the index and left their holdings there unchanged for five years.

Throgmorton's assets would have increased by 77 per cent, whereas in fact active management produced a 108 per cent increase. Pentland's portfolio would have increased by 60 per cent but its managers achieved a 78 per cent rise in value. The conclusion is that Throgmorton has had the edge in day-to-day management and that its strategic decisions, about which countries to invest in, were also better.

Pentland has claimed that over the last 10 years the value of its assets has grown more than those of Throgmorton. But investors are concerned not only with the capital appreciation of their shareholdings but also with the income they receive from them, although the attractions of investment income are reduced by taxation. Once pre-tax income is taken into account, Throgmorton's performance comes out on top, over both five and 10 years.

The conversion of an investment trust into a unit trust eliminates the discount of the investment trust share price to the value of its underlying assets. For that reason Pentland's proposals to unitise are attractive to those who want to take their money when the unitisation is completed, perhaps within six months. But there has been an unresolved dispute about how much it will cost to unitise the Pentland portfolio in legal fees and, more serious, in stamp duty.

The other cost to be taken into account is that of running down a unit trust portfolio of shares, to allow all those who want to do so to cash in their units.

When these factors are taken into account, the value of the portfolio will probably be reduced by somewhere between 5 and 9 per cent.

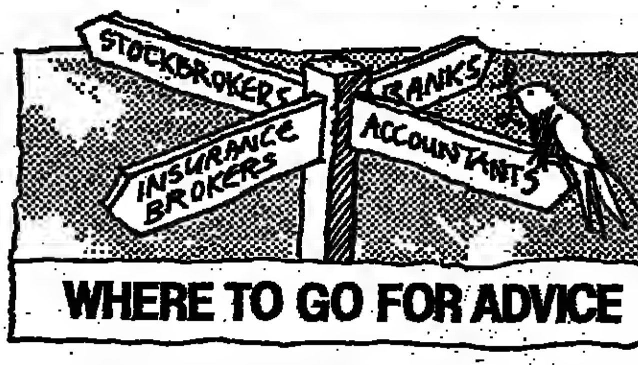
Throgmorton's offer to Pentland shareholders is worth only around 5 per cent less than Pentland's net asset value, although the precise discount has been another matter for learned mathematical disputation. But the drawback is that half the value of the paper Throgmorton is offering is in the form of debentures rather than shares.

If you do not like the look of a debenture—and you probably won't if you are in a high tax bracket and pessimistic about inflation—you can always cash it in. But the debenture market is thin and there is also capital gains tax to consider.

● Conclusion: go and take professional advice.

Clive Wolman

YOUR SAVINGS AND INVESTMENTS—2



You and your money: Rosemary Burr continues her series on accountants

When a package deal is the best buy

ACCOUNTANTS have been slow to latch on to the areas of personal financial planning. Most of the large firms have sizeable tax departments bnt *few have specially trained* people who cater solely for individnals seeking to put their affairs on a sound footing.

On the face of it accountants are in a good position to offer impartial advice. They are paid by the hour and under the Institute of Chartered Accountants in England and Wales' rules they must tell clients bow much commission they receive as a result of dispensing their financial wisdom.

Some firms even go so far as to say they will deduct any commissions received from the clients' bill. But it is best to check this matter in advance.

Fees are often a stumbling block. Accountants, like solicitors, charge by the hour. Most people, *however*, like to know in advance how much they are going to be charged. Firms that are members of the Institute of Chartered Accountants in England and Wales are required to discuss the fee for a particular assignment before accepting the job but even so it may be difficult to determine the exact size of the bill at the outset.

As I have stressed throughout this series it is crucial to check that the adviser you approach is fully qualified and a member of a bona fide professional body. This should ensure a basic minimum quality in the advice and provide an avenue of recourse in the event of disappointment.

Unfortunately anyone can set up as an accountant or tax consultant, so do cbeck carefully on an individual or firm's credentials. While the Institute of Chartered Acconntants in England and Wales cannot recommend individual chartered accountants, it can *provide a* list of firms practising in your area.

Unfortunately not all members are either interested in or qualified to give specialised financial advice. For many large firms personal clients have *tended in the past to be a* periphery business, sometimes even being regarded as a loss leader. In the provinces, accountants tend to be less specialised and it is best to make sure that someone giving you detailed investment advice really knows what he is talking about. It is often extremely difficult with the best will in the world *for* any one person to keep up with the changes in tax law, latest savings products and international markets.

That said, a really good accountant can be invaluable in helping you plan your financial affairs and should be able to put you in contact with other professionals, such as stockbrokers or insurance brokers, who can fill in the details of your financial portrait.

One of the plus points about accountants is that they tend to ask for a great deel of personal information from clients before giving advice. Often they try to discover people's detailed *plans for the future and suggest* a long-term strategy.

As a general rule of thumb the more questions any financial adviser asks you the better. Without plenty of information about their clients advisers can give only inadequate suggestions. Beware anyone who tells you where to invest £1,000 without first seeking to discover such facts es your tax status, investment aims and financial commitments.

● **Dearden Farrow**
Cost per hour ranges from £50 in London when talking to a partner to £30 for some specialised staff. The firm has a personal financial planning department which works in tandem with the rest of its staff. Publishes a quarterly letter and *pamphlets* highlighting particular issues. Provides general outline of investment plan and will use any commissions gained to reduce fees.

● **Robson Rhodes**
Charge from £25 to £50 per hour. A one-off review of an in*dividnal's financial affairs will be* priced according to complexity. Again, the firm will give general financial guidelines rather than recommending specific investments.

● **Keymer Haslam**
A two-partner country practice. Martin Haslam says be specialises in giving personal financial advice and has about £1m uoder bis rontrol. Charge is £26.50 per hour and there is no minimum sum required. Commissions are deducted from the fee. Haslam will give specific investment edvice on equities and most traditional investment vebicles except rommodities.

● **Peat Marwick Mitchell**
Price per hour varies across the country from £30 to £70. Personal financial planning is handled through the private tax department. Clients are given an overall view and recommended to see specialists for more detailed discussions. Any commissions earned through recommending clients are deducted from the firm's fees. Specialises in counselling *senior executives* and is prepared to help someone with relatively small asset value who looks like they may progress in future.

● **Thornton Baker**
The firm has a flourishing financial planning service staffed by *specially* trained acconntants. Fees vary from £25 to £45 per hour. The East Sussex besd office provides quarterly bulletins for regional offices and internal lecturing. Advice is available at any of the firm's regional offices.

● **Willis, Parsons & English**
Charge is £30 per hour and there is no minimum required. Jeffrey Eoglish says he will indicate the type of investment most snitable for the client and give specific advice on unit trusts and funds but not individual shares. He is particularly keen on Jersey rollnp funds and unit trusts.

Introducing OPAS

DO YOU, as an employee who has just changed jobs, feel thet your old employer bas offered you a derisory transfer payment from the pension scheme?

Do you, *as* e *pensioner*, feel that your company pension should bave been increased to make up for the ravages of inflation?

Do you, as an ex-wife who has been receiving financial support *from your former husband*, consider that you beve some entitlement to a pension from his company pension scheme on his death?

If anyone has a query on their occupational pension or other benefit how do they go about finding out the exact position and then getting it put right?

The answer to the first query—finding out the position—will be made much easier with the launch this week of the Occupational Pensions Advisory Service—known as OPAS.

Occupational pensions is a *complex subject*, *though* one feels that the operators in this field bave made it far more complicated than necessary. Employees, pensioners and their dependants still do not understand how their company pension scheme operates, what benefits they are entitled to, wbether they are receiving those benefits, wbether they can get more and *how to go abont seeking* redress.

The person who should be able to deal with all pension problems is the pension fund manager. He is the person who is involved in the day-to-day running of the pension scheme *and dealing with* queries and problems is or should be part of his job.

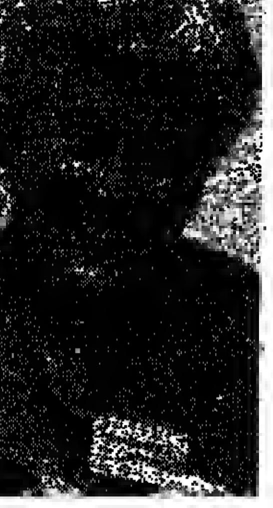
Bnt this never solves the problems in many cases. Some pension managers only answer the *question asked*, and *most* people with queries do not know which questions to ask, so they get unsatisfactory replies. Others with a grievance will be dissatisfied with any explanation no matter how lucid it is if they feel they are being treated unfairly.

There has been considerable unrest about this set-up and a feeling that the occupational pensions movement itself should take the initiative in providing an independent service for people wbo are dissatisfied over their treatment from the pension scheme.

Margaret Grainger, wbo until her retirement last October, was secretary of the Occupa*tional Pensions Board*, *has been* busy since ber retirement in establishing such a service. *OPAS is* the result of *her* efforts with the operational framework established and enough initial financial support to at least get off the ground.

OPAS will operate primarily through the Citizens' Advice Bureaux network and inquiries sbould be made through the nearest CAB office. Complaints and qneries will be accepted *only after* the *inquirer has* failed to get satisfaction from the pension fund manager and from using other channels such as the individual's trade union.

CABs will have access to a local pensions expert to con*sider* the problem. *Usually* it



Margaret Grainger

will be a matter of interpreting and explaining the rules of the particular scheme.

More complicated queries will be handled centrally. Sir Monty Finnison is to be the first President of OPAS. It is envisaged that there will be a board of trustees, an executive council and a management committee to operate OPAS.

But it must be emphasised that OPAS is only an advisory and information service. It cannot provide an arbitration service for disputes between the individual and his pension scheme. Pension schemes operate under trust and the powers of the trustees are set out in the trust deed. The recourse, if one disputes the actions of the trustees, is through the Courts and the Courts alone.

Eric Short

Better breakdown service

EUROP ASSISTANCE, the organisation which provides medical and other emergency belp to travellers around the world, bas launched a new scheme designed for the motorist in Britain.

GB Assistance, as the new venture is called, will be entering e highly competitive market where the old-established organisations such as the AA and the RAC are already feclng a growing challenge from schemes such as Netional Breakdown, Red Rovers and Gold Star.

Europ Assistance claims a number of extras for its scheme which are not offered by its rivals at a price which is quite competitive.

The standard service, which costs £22.50 a year, provides one hour of a mechanic's time for roedside repairs and towing to a suitable repairer if more work is needed. Europ Assistance is willing to help not only after a breakdown but also after an accident—a service not provided by some of the other schemes.

If repairs cannot be completed within four hours GB Assistance provides up to £100 of cover to allow the occupants to continue their journey or return home by public transport or self-drive car. Alternatively bed and breakfast in a local hotel will be provided.

The extended service, which costs £37.50 a year, also provides belp with a breakdown at home, transport for the vehicle and occupants back home or to the intended destination by a single transporter, cutting out transfers between ereas; and the transport of the ill or injured occupants to a bospital close to home by a private ambulance, subject to their medical condition.

If GB Assistance can deliver efficiently all that it promises its extended service provides e driver and spouse with broader cover et less rost. The full AA service, including joining fee, annual subscription, recovery and home breakdown service for driver and spouse costs £46.50 while tbe similar RAC package (under which no extra charge is made for the spouse) costs £38.50.

With GB Assistance cover applies to the vehicle and not the individual. This is an advantage if several people drive the same car but a disadvantage for two or three-car families.

Excluding the joining fee of £4 and £3 for the AA and RAC respectively, the RAC package works out slightly cheaper than GB Assistance. Motorists can, however, accumulate an annual 10 per cent "no-call" discount up to a maximum of 30 per cent with GB Assistance.

Some of the smaller roadside belp organisations are cheaper but they provide a much more limited service.

Whet drivers do not get with the new scheme is the full boliday and travel service, including maps and guidebooks, provided by the two large motoring organisations.

Europ Assistance has been helping foreign drivers in Britain for the past 10 years and has tested the GB Assistance idea on a number of British fleet owners. Insurance cover for the scheme is provided by Eagle Star Insurance Company.

Charles Batchelor

Poor Winston

BY ROBERT RHODES JAMES

Churchill, 1874-1914
by Ted Morgan. Jonathan Cape. £12.50. 560 pages

Concern among historians at the rapid expansion of "faction" — which might be loosely described as quasi-fiction masquerading as total historical fact —has hitherto been confined to films and recent television programmes. For example, the brilliance of Robert Hardy's portrayal of Winston Churchill in the television *Wilderness Years* series did not adequately compensate for the freedom with which strict historical accuracy was interpreted. The controversies over the film *Cmdhi* are clearly destined to be of significant duration and heat; but the film industry has such a long record of improving history that one suspects that the public has learned to enjoy Errol Flynn as Robin Hood or Charles Laughton as Captain Bligh, and their modern counterparts, without taking the matter too seriously. It is indeed doubtful whether the enduring reputation of Cladstone will have been affected at all by the ludicrous version of his personality provided in the *Number Ten* television series.

Books. however. are another matter. and especially one on Sir Winston Churchill of over 500 pages. written by a winner of the Pulitzer Prize, with references, albeit almost exclusively to published sources, although these are glowingly described as "the official Churchill archives and immense research." And the whole sppearing under the imprint of the admirable Jonathan Cape. Mr Ted Morgan. furthermore. is the author of a biography of Somerset Maugham that has won praise from Paul Theroux, Anthony Powell. and Anthony Burgess. This is obviously serious stuff.

No anthor should be blamed for his publisher's hlurb, but when we are told, that Mr Morgan has uncovared "surprising facets" which include Churchill's vehement opposition to Women's Suffrage — wbich may be regarded as one of the least dramatic revelations in modern historiography — and "the truth about the Dardanelles," some doubts may begin to arise. especially as what Is proudly billed as "a previously unpublished photograph of the landing *from open hoats* on the defended beach at Cape Helles" looks very suspiciously like one of the landing practices at Mudros. Certainly, no part of the Gallipoli coast resembles this, and in any event tha boats are rowing *away* from it!

Any hook that opens with the words "Spanked into life like the rest of us, Winston Leonard Spencer-Churchill was 'horn'" should be viewed with caution. It may be true that Lord Randolph Churchill met his future wife at Cowes "as sleek yachts skimmed over the water, their great sails cutting and tacking," hut the fact that it was late in the evening and dark makes it somewhat improbable. Then, whst of Mrs Everest, the nurse to which Winston Churchill was so devoted?

"She toilet-trained him, with the nanny's vested interest that the sooner he learned to use the potty the sooner she would not have to wash nappies. She held his penis while he urinated, and washed It for him afterwards. She fed him, cleaned up the mess when he was sick, gave him baths, wiped his bottom, hugged him, and *beld him while* he learned to walk. Hers was a presence Winston depended upon on an hour by hour basis."

"Meaningfully," and "at that point in time," one is tempted to add.

We are then exposed to the wholly unsubstantiated charge that Lord Randolph had contracted syphilis at Oxford. or alternatively, from a "Blenheim housemaid." Consequently, Mr Morgan informs us, "Once the diseasa was diagnosed, he could no longer sleep with his wife." From this it is only a short jump to imply that Jobn Churchill was illegitimate, that the Churchill marriage was a miserable disaster, and that the tragedy of Lord Randolph Churchill's career can be easily explained in physical terms.

We have been here before. The claim that Lord Randolph contracted syphilis at Oxford stems from an allegation of the famous liar Frank Harris, based on what he claimed to he a conversation with Lord Randolph's former political ally, Louis Jennings. Even if Jennings made the allegation—and anyone who relies upon the testimony of Frank Harris is in sore straits — it was done so after he and Lord Randolpb bad hitterly separated.

I have always strongly doubted whether Lord Randolph's decline and early death was the result of *syphilis*. A far more probable cause was a brain tumour that, given the expertise at the time, was not diagnosed. There was no autopsy, and the fragments from his doctors' papers are in my judgment — and those more experienced in these areas than I am, whom I consulted when I wrote Lord Randolph's biography — wholly inconclusive. Anything is *possible*, hut the historian should deal with *facts*.

Mr Morgan's emphatic statement of the early estrangement of the Randolph Churchills — repeating all that his fellow American Mr Ralph G. Martin has alleged before in his racy, successful, but not convincing biography of Lady Randolph — collides sharply and seriously with the evidence that we do have in their correspondence of their devotion. It was a marriage that had many storms and difficulties, but tha bond held.

But Winston's traumatic childhood and parentage Is just the beginning. Lord Randolph's spectacular career, which so inspired not only his son but subsequent generations, is dismissed with contumely. When he became Chancellor of the Exchequer and Leader of the Commons we are told that:

"At thirty-seven, he was like an enfeebled old man.... Jennie found him so distant and bizarre that she suspected he bad a mistress."

These observations read somewhat strangely when one reflects on even Queen Victoria's and Cladstone's grudging admiration for Lord Randolph's mastery of the House of Commons, and the contemporary testimony of his hrilliance, youthfulness, and the excitement he inspired.

Mr Morgan's grasp of British politics may be considered somewhat tenuous as his hero advances. Nor does the hook's style improve ("Churchill felt tbat he was in a strong enough position to write his own ticket"), although the writer's fertile imagination ("tha sand hills of Port Stanley") does not flag. The Dardanelles chapter can only make the historian of the Gallipoli Campaign somewhat glum, reflecting that it does not appear to be the same campaign as the one that he bas studied. There is a good case to he mada for Churchill over the Dardanelles, as Mr Martin Gilhert has done, but to state that "it had not been Churchill's idea" rests on a refusal to concede the significance of certain memoranda written six months before the ill-fated enterprise, and other firm evidence.

There Is indeed room for a hiography of this extraordinary man that makes full use of the results of Randolph Churchill's and Mr Gilbert's labours, to provide a portrait that is accurate and human. His daughter, Lady Soames, has written the best so far. But it *is cruel* even to mention her name and that of Mr Gilbert in the same breath as that of Mr Morgan. This is a truly lamentable book. And for what, one is entitled to ask, did the author receive his Pulitzer Prize?

Churchill in 1911, aged 37, when he was First Lord of the Admiralty

Maelstrom

Salvador
by Joan Didlon. Chatto & Windus/The Hogarth Press. £6.95 (Paperback £2.95) 108 pages

As men of bad will prosper in the Salvadorean maelstrom one is tempted to lose all hopa for that country.

Into such a hopeless situation comes Miss Didion and writes a short, lucid account of the horrors and stupidities. She recounts her interviews and trips about the country capturing the feeling of the nightmare of violence overlaid with political hypocrisy that is El Salvador.

As Mr Reagan's Central American policies are increasingly questioned in his own country, Miss Didion's descriptions of murder, suffering and equivocation should help the dehate. What she has to say should also strengthen the resolve of the friends of the U.S. to try and persuade that *country* to *wake up* to terrible things that her representatives are doing, in the supposed cause of democracy.

HUGH O'SHAUGHNESSY

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Taking the waters

BY GABRIELE ANNAN

The Philosopher's Pupil
by Iris Murdoch. Chatto and Windus/The Hogarth Press, £7.95. 576 pages

For her twenty-first novel Iris Murdoch has invented a town called Ennistone with a spa comprising indoor and outdoor pools, a garden, a promenade, a café. snd private haths with bedrooms attached. the whole fed by a hot spring and controlled from a vast suhterranean installation. This minntely charted place is the centre of the action and also of Ennistone's social life. Ennistonians are practically amphibious: they learn to swim in early infancy and bead for the haths whenever they can. Otherwise they are quite ordinary, mostly of Non-Conformist stock, which gives them an inbuilt Puritanism in conflict with the disturbing atmosphere and antecedents of the baths where powerful Roman and pre-Roman deities were worshipped and unsettling though agreeable feelings sre regularly experienced.

The main theme, as often before, is possession: of one person by another; or of a person by an idea. In an indescribably complicated story four protagonists stand out from a large and eccentric cast: Rozanov, a famous philosopber of Russian extraction, born in Ennistone. and returned after many years in America; his seventeen-year-old granddaughter Hattie; and the balf-brothers Tom and George McCaffrey. Tom is an undergraduate, a golden boy, innocent and bappy, "unfallen"; middle-aged George is an *âme damnée*. At the start of the novel he tries unsuccessfully to drown his wife; at the end he drowns Rozanov; halfway through he saves a drowning dog. Ms Murdoch has always been fond of death by water.

But did George really kill Rozanov wben he tipped his inert body into one of the private baths? Or had the philosopher already died from a deliberate overdose? This is not at all an important question, but George's motive is. As a student he was "the philosopher's pupil" and developed a fixation sbout him. Rozanov rejected him then and rejects him now. The murder is George's revenge and at the same time his own liberation from his obsession with the man Rozanov and with hazily Schopenhauerian ideas abont good and evil.

The reason for Rozanov's suicide is Hattie. He has had the orphaned girl brought up at a distance, a *princesse loinlaine* at boarding school or sequestered with a young maid/companion called Pearl. The time has come for her to enter the world. and Rozanov reluctantly settles the two girls in a rented folly in the McCaffreys' garden. Then he charges Tom to marry Hattie (whom Tom has never met). Should he fail to do so he must promise never to see her again.

This Grimm request springs from Rozanov's unacknowledged obsession with his granddaughter's virginity, whicb in turn springs from his unrecognised carnal passion for her. At this point a mild orgy takes place in the McCaffrey garden which is invaded by tipsy amateur actors rehearsing a masque about Aphrodite. Weird encounters and couplings occur, but George fails to manage a *tête-à-tête* with Hattie. All the same, Rozanov hears that he tried and writes him an indignant and wounding letter. It is this that finally decides George to kill him.

The incident also shocks Rozanov out of his normal blindness to human feelings: he recognises what his own are for Hattie. Shame and dismay overwhelm him, and after bidding an agonising farewell, he sets off for one of the private baths with his box of sleeping pills.

With Ms Murdoch there is never any need to dig for clues: they lie scattered all over the site. The problem is to classify and read them. There is one here that could be a Rosetta stone to many of the novels: "More often than the experts imagine, purely *intellectual* ideas can play 'deep parts' in human psychology." Ms Murdoch is always turning ideas into impulses, and the impulses come storming across the footlights of her theatre: because theatre is what her fiction is. It proceeds from action to action without any static interludes at all. Even interior monologues push forward the story in a positively Wagnerian way.

Wagner's ia a drama of ideas and so is hers; her protagonists, like his, have attributes rather than characters: Hattie has fidelity, George's wife has pride and his mistress humility; George himself has a curse upon him, a thoroughly Wagnerian thing to have; and Rozanov has a curse *too*, in his case tha inability to "connect". Father Bernard, a convert Jewish clergyman, has the best attribute of all: charity and a gift for religion, even though he does not believe in God. Like James in *The Sea, The Sea* he ends np a mystic, free from possession (and of course from possessions too.)

The action is the clash of attributes or ideas. It takes place in a world part pagan, part Christian, and part purpose-built myth, just like *The Ring*. Ennistone with its baths, its smart and not so smart quartiers, its pubs and its churches is as symbolic a setting, as artificial, and as functional as Nibelheim and Walhalla.

But for the music Wagner's drama would be schematic. Ms Murdoch animates hers with the exuberance of her storytelling invention, the speed of her narrative, and the white heat of emotion which can leave the reader quite limp until she revives him with a joke. Sha is a virtuoso of the cliff-hanger and a magician with physical sensation: feel the fur, smell the damp, see the sun glitter on the snow.

On a small scale she never loses psychological plausibility: when people are frightened, irritated, or touched by a small sudden pathos, when they are tense or relaxed or exuberant or dejected, then one feels the frisson of recognised truth. She creates exhilaration; but when it subsides, the motivation of her characters can seem too programmatic: as though Sophocles had written *Oedipus* after his analyst had told him what it was really about.

Date with the past

BY MARTIN SEYMOUR-SMITH

Fools of Fortune
by William Trevor. Bodley Head, £7.50, 239 pages

In the Shadow of the Paradise Tree
by Sasha Moorsom. Routledge, £6.95, 247 pages

All of William Trevor's books until now, and most of his stories, have bad either mischief or immediate pathos in them. Freqnently both. A more serious note has crept in of late, but the preposterous element remained. In *The Children of Dynmouth* we had an ambitious young blackmailer; but somehow the story was funnier than it was disgraceful, however dreadful juvenile delinquency may be. William Trevor cast a hlack and disenchanted look at society, showed us hateful and pathetic people suarling at each other, or young victimisers driven by sporting and "decent" ambitions; he was unique, and we did not stop to worry about how weighty he was. That was as it should he.

With this new novel, *Fools of Fortune*, he seems to have wanted to stop laughing—to write something more "weighty." And nothing could be a better demonstration of the fact that, once you start thinking about being weighty, or substantial, you seem inevitably to become lighter, or less substantial.

This always very skilfully and elegantly told story covers 60 years of time. There are two families. They have been intermarried twice in their history. One is in Dorset, the other in Ireland. We begin by looking at affairs through the eye of the male representative: at Willie Quinton's childhood in Ireland in the years of the First World War and just after it. He slowly becomes aware that his Protestant parents are supporters of Home Rule, and that this attitude is more than just a state of mind. Then, when he is perhaps 10 years old, a man who gave information to the Black and Tans (be had "no political views" of his own) is hanged, and his tongue cut out. This is how young Willie first learns that life is not paradise.

In the second part of the hook we deal with Marianne Woodscombe from Dorset. She and Willie repeat past history by falling in love. How that love manages in the face of violence is really the subject of this ambitious book, which is the most self-consciously modernist —especially in the matter of the treatment of time — that William Trevor has written.

The best things in it, for me anyway, are the ones about schools, and about the way older people treat the very young. This is William Trevor's country, and perhaps no one else today does it so funnily, so revealingly or so well. But I do not think his new high seriousness suits him. He is most tragic when he is most comic, and, although this novel is never less than finely written, it is too insistently tragic in tone to do justice to William Trevor's peculiar genius.

The plot, bidden away behind the suggestive sentences, is quite brilliant—but it is wasted, or partly wasted, by being given such a solemn treatment. The author had better have dared to maintain his old *sprezzatura*, even in the face of this grim and sad tale. But *this* is not to say that his book lacks high quality, only to regret that he could have made it into a masterpiece.

Sasha Moorsom's novel, her second, is about a confused young woman who is teaching at a university in an African dictatorship. It is a shrewd, intelligent, sensitive and often comic novel—and an extremely readable one. Jessica Miles does not know quite why she is where she is: it may be because she wants to atone for her grandparents' patronising attitude to Africa—they were the worst sort of missionaries; or because she is an idealist; or because she is seeking for the paradise of an aunt she loved who lived in Africa and who, in an instinctive way, understood it as her more intellectual niece is doomed never to do.

Sasha Moorsom: African attitudes

The narrative, in the third person, is *counterpointed* with Jessica's own (taped) impressions, and the result is effective and impressive. *In the Shadow of the Paradise Tree* is wholly unpretentious, quite courageous in what it is prepared to say, and instructive abont Africa. It is a novel that grows upon the reader, and I heartily recommend it for its straightforwardness and its lack of starry-eyed idealism. It is realistic in exactly the right sense, and the kind of book only a woman can write.

Discovering the Singer family

BY NIGELLA LAWSON

The Brothers Ashkenazi
by I. J. Singer, translated hy Joseph Singer. Allison & Bnsby. £9.95. 440 pages

Deborah
by Esther Kreitman, translated by Maurice Carr. Virago. £3.95. 376 pages

The Brothers Singer
by Clive Sinclair. Allison & Busby. £8.95. 182 pages

When *The Brothers Ashkenazi* was first published in America in 1936, it was met with buge critical acclaim ("Serious, solid, eloquent" pronounced the Naw York Times), although the fame of the author's Nobel-prize-winning brother, Isaac Bashevis Singer, has since overshadowed Israel Joshua's. One might hope that the appearance of this new, impressive translation of I. J. Singer's bulging epic would do mnch to redress this. I cannot see how it can fail.

Set in a Jewish community in Poland from the 1880s to the 1920s, it traces the effect which industrialisation. social upheaval and world war bave on the lives of Polish Jews in general, and on the rival twin brothers Max and Yakub Ashkenazi in particular.

I. J. Singer is interested in history. But his interest is necessarily different from the traditional European epic novelist. Singer does not picture the individual caught up in the sweep of history, but rather the Jew, who cannot be simply an individual because he is part of soma atavistic, emotive concept that is Jewishness. Talk of progress, revolution, social change, terms with which non-Jewish history is studded, can mean nothing to a people seemingly condemned to a repeated routine of alienation.

When tha wealthy industrialist, Max, is approsched by his fellow Jaw, Nissan, pleading for the workers' rights, he reprimands Nissan for being champion of the gentiles. "We know nothing about Jews and gentiles . . . We know only of workers and exploiters," answers Nissan.

But "*You* don't know" said Max Ashkenazi scornfully. "But ask the gentiles *their* opinion. *They* know the difference between Jews and gentiles." He is proved right: tha workers' revolutions turn into savage and mindless progroms.

I. J. Singer: Nobel man's brother who died young

Conflict, on every level, marks tha relationship between the two hrothers. Max is very much the Jew: passionate about improving his standing and acquiring wealth and respect. Yakub is easy-going: a modern European said to be "much too dashing and attractive to he Jewish." But the claims of bis birthright cannot be disowned. When he is discovered for the Jew he is, he is brutally murdered.

Intense sibling rivalry, class struggle, fierce anti-Semitism and a decaying world are weighty matters, and this is a weighty book. But it is not simply that: it is more tha passion of its telling; the workings, as Irving Howe says in his excellent introduction, of "an imagination fruitfully at war with itself."

Deborah by the Singers' sister, Esther Kreitman, was first published here in 1946 and has been out of print ever since. It is an autobiographical novel abont the daughter of an unworldly, hapless rahbi and his bitter, cynical wife (the relationship between the two is told with particular sensitivity).

Dehorah feels she cannot please her parents, who would have preferred their first-born, no douht, to he a son; and she cannot please herself either. She desperately wants education and real love, "to be something," but her sex and religion deny her both. She falls in love with a pale, hlazing-eyed student who, despite reciprocated secret yearnings for her, ostracizes her too. Febrile and exhausted, she gives in to oppression and tha arranged marriage in store for her.

In an interview in Encounter February 1979, Isaac Bashevis Singer made this statement about writing: "Only the dilettantes try to be universal; a real writer knows that he's connected with a certain people, a certain time, a certain environment . . ." The power of Yiddish writing so often lies in the evocation of a certain people; a specific world in its totality. Esther Kreitman's world does not have the proportions of her hrothers', but still, there it is: a whole existence, Polish Jewry on the eve of its obliteration: a pathetic memoir.

It is difficult to find a place for *The Brothers Singer* in contemporary criticsm. The opening chaptar is a "critical reconstruction" of the Singers' childhood, based on the writings of the three authors. Memoirs and fiction, throughout the book, are given the same status as autobiographical documents and testimonies with a casualness which would make even tha least committed of structuralists shudder.

Clive Sinclair's strength, however, is his understanding of the emotive aspect of Yiddish writing. He lays great faith on the "genetic chain of influence." And there is much that is autobiographical — in the atavistic as well as in the personal sense — in the Singers' writing. Yiddish literature, being about Jews, is about kinship. It is nicely fitting that Esther Kreitman's son translated *Deborah* and I. J. Singer's *The Brothers Ashkenazi*.

The large chunks of the Singers' writings which constituta *The Brothers Singer*, are presumably intended to whet the appetite for the books themselves. And the book is enlightening on the general concept of Jewishness in Jewish literature: Yiddish literature confirms the inevitability of the Jews suffering, and their inability to do anything to effect any change in this pattern; their only defence, it seems to imply, is passive forbearanee. But, says Mr Sinclair, "Judaism may well preach patience, but its history encourages Messianism."

FINANCIAL TIMES SURVEY

Saturday April 30, 1983

The insurance broking community is undergoing radical changes worldwide. Tougher competition is prompting a keen reappraisal of most aspects among the major centres

Insurance Broking

A stronger shape may emerge

BY JOHN MOORE

INTERNATIONAL insurance brokers have come through one of the most traumatic periods in their trading history. Competitive conditions in world insurance markets increased at a time when the whole question of the structure of the broking community was being reassessed. At the same time dramatic problems emerged in Britain which cast a shadow over the London insurance market.

Yet all these factors show signs of leading to an increased self-examination of the function of the intermediary by the insurance broking community and its place in world insurance markets. This could lead to the creation of a wider range of services and higher standards of professionalism.

A year ago British brokers were grappling with the problem of a deep recession in the UK whicb affected many lines of insurance business obtained in their local market. Volatile exchange rate movements continued to add uncertainty to the activities of the large British international brokers.

Competition in all insurance markets bas been fierce and brokers, who earn their money from commissions they are paid by insurers from insurance premiums when the brokers place business on behalf of their clients, have been at the mercy of the conditions prevailing in the wider insurance market.

Even so, the large broking units within the market were able to consolidate their positions. Multinational groups and large companies seeking a range of insurance services through intermediaries with strong international connections have provided a bedrock of solid revenues for the major American and British brokers.

Moreover, although there have been signs of large accounts switching in the last reoewal season—most notably British Airways, which moved its account away from Bowring after sixty years to Sedgwick—there are also aigns that the adverse effects of each big account move is being cancelled out by the movement of other accounts to the broker who may bave suffered a loss of business.

Rationale

The switching of major accounts when insurance market conditions are "soft" underlines the rationale for mergers in recent years among the leading brokers in Britain and the U.S.

The U.S. brokers' urge to become involved in the London market sprang from a desire to utilise the British brokers' established international links in continental Europe, London and the Lloyd's market, tbe Far East and other areas of the world where American brokers were not represented to the same extent as their British counterparts.

Moreover, tbe American brokers were impressed with the way the English brokers arranged insurance progammes in a way which allowed them to maximise their own broking revenues. They were also attracted by the British brokers' exclusive access to the Lloyd's market, which provides a vital pivot to the development of a bighly profitable reinsurance programme for the broker.

Until the late seventies the Americans had no direct access to Lloyd's. Like all business flowing to Lloyd's, premiums have to be transmitted to Lloyd's underwriters through any of the 268 Lloyd's brokers. One account coming from the American market for placement in the London insurance community usually requires the involvement of a large broker with extensive Lloyd's connections.

Once the American broker places business in London through one of the major British brokers the British broker gains a valuable opportunity to maximise his return on one major account. He will take a commission on the deal once it is placed in Lloyd's, sharing the commission with the U.S. broker. But then tbe British broker will have access to all the reinsurances on that one account whicb are sought by the Lloyd's underwriters. Through arranging an ambitious reinsurance programme, the British broker can earn commissions many times over on one account.

In the early seventies, when stock msrket values collapsed in America and insurers found themselves underreserved, bnsiness volumes flowed out of the American market to London as U.S. insurers sougbt more reinsurance protection. Lloyd'a and tbe London broking community thrived.

The Americans saw bow successful the London market could be as an international broking centre. Moreover, in order to retain the "big ticket" business it was necessary for the American brokers to demonstrate to their clients tbat they bad a wide range of international offices which could service tbe needs of the multinational. Since most brokers in the U.S. were largely bomebased they looked to London for the answer.

As the American turned to Britain so the British brokers were becoming increasingly aware of tbe competitive pressures they were under. They found it difficult to operate directly in the U.S. market and most of them established correspondent links with the major U.S. broking groups which gave them the access to the American market. But in order to establish closer links with tbe U.S. market and retain important clients in increasingly competitive conditions the British brokers realised that it was necessary to forge more formal links with tbe U.S. brokers.

The trans-Atlantic mergers began in a mixture of expansionist zeal and defensive apprehension. Marsh and McLennan acquired Bowring, Frank B. Hall acquired Leslie and Godwin. Then, as it became apparent that the broking units were becoming larger, size itself became important. Large broking units feared that they would become rated as medium-sized brokers if the mergers continued and a trans-Atlantic hunt began for partners whicb would enable brokers on both sides of the Atlantic to remain in their dominant positions.

The most controversial merger was that of Alexander and Alexander, the American-based broker which is still the second largest broker in the world, with Alexander Howden. The $299m acquisition rapldly turned aour as a series of irregularities were uncovered within the Howden group which had wide repercussions for the London market.

It became clear that the entrepreneurial freedoms enjoyed in the reinsurance market could be abused and tbat a more rigorous system of reporting as well as checks and balances were required from all those involved in the Lloyd's market. Reforms are already underway.

Legislation

In other areas the structure of the British broking community came under scrutiny. During the passage of the Lloyd's legislation for improving the market's self-regulation, Parliament decided that brokers must sell off their shareholding links with underwriting management companies—the units which look after the affairs of insurance syndicates at Lloyd's. Despite representations by the brokers in the later stages of the Lloyd's legislation Parliament refused to change tack and in just over four years the links must be severed.

Parliament's interest in the relationship of Lloyd'a brokers with insurers within the Lloyd's market developed an extensive debate about conflicting interests which exist within the Lloyd's insurance community.

But recent developments in the world insurance broking community may broaden the debate even further. Marsh and McLennan, the world's largest broker, bas already said that it intends to aell off its underwriting interests, including the gronp'a insurance companies subsidiaries, because essentially it finds the role of broking and underwriting naturally "antagonistic" and would find it more comfortable to operate as a broker without those interoal tensions. Others disagree with the Marsb and McLennan view, arguing that the role of an intermediary is essentially a flexible one designed to provide a good service for both client and underwriter.

Indeed they point to the growing interest of American insurance groups in the broking fraternity. the most recent example being tbe steady build up of a stake by The St Paul Companies of Minnesota to nearly 25 per cent in Minet Holdings. They also point to the vertical integration which bas been established on the New York Insurance Excbaoge, where brokers manage insurance syndicates. "Consumerist logic cannot be the ultimate criterion," observed one broker, "there are apparent conflicts of intereat in any market place."

This year the process of cbange and reassessment is likely to continue. So far it is anticipated that the rate of tranastlantic link-ups will slow down as the Americans probe tbe British market more cautiously in the wake of the Howden affair. But the concentration of business into bigger and bigger units, with major accounts passing to those with the most purchasing power in the market, is likely to continue and could lead to renewed merger activity.

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Accepted voice of the industry

THE Britisb Insurance Brokers Association has come througb its formation period of welding together the former four insurance broking associations and coping with the initial problems of registration. In the words of Mr Michael Morris, its director general, it has adjusted to the new situation and can concentrate on developing a format for the future as the association representing insurance brokers.

Membership stands at 3,630 businesses, including subsidiaries, whicb is about 100 lower than last year. BIBA has ended the subscriber status to cover the transition period for registration and now all members of BIBA must be registered or listed.

What bas BIBA achieved in wbat is still only a comparatively short period since its formation?

One major achievement, according to Mr Morris, is that it bas been accepted by the Government, by other insurance bodies and by the City of London aa the voice of the insurance broker.

The various government departments, particularly the Department of Trade, now approacb BIBA as a matter of course for views on various insurance topics — commissions, licensing offshore life companies, and so on. BIBA also presents its views on matters of interest affecting insurance brokers. It presented a comprehensive paper on the proposals of Professor Jim Gower, adviser to the Department of Trade, on investor protection, and has set out its views on licensed dealers.

Conflicts

Its acceptance by other insurance bodies is natural. But it is also accepted as the voice of the broker by the Unit Trust Association and somewhat surprisingly by the Building Societies' Association — even thougb there are several areas on conflict between brokers and building societies.

As far as the City is conceroed, the chairman of BIBA is an ex-officio member of the Committee on Invisible Exports, an acknowledgement of the contribution to invisible earnings arising from insurance brokers, both directly and indirectly.

Education will play a major role in any future BIBA format, since one of the main planks of professionalism is a high standard of training and education. BIBA has been, to date, concentrating its educational activities on registration and on developing general seminars to cover all broking aspects.

Mr Morris says the future broker needs to bave both educational qualifications and experience, instead of just experience, an accepted alternative for registration. To this eod BIBA is associating even more closely with the Chartered Insurance Institute in designing training courses and examinations for would-be insurance brokers.

Recently BIBA held its first examination for a certificate of competence at junior level within broker offices, with over 100 individuals sitting the examioations.

Another development for the future is the setting up of a proposed Central Bureau for the Analysis of Finaocial Information relating to Insurance and Reinsurance Companies.

A seminar held by BIBA January on the supervision insurance revealed a dema by members for a centr agency that would scrutinise t security of insurers.

Insurance brokers handli general insurance business any size are being faced wi a growing number of insure many coming from overse and reinsurers seeking busine The major Lloyd's brokers ha the necessary research depa ments to monitor these co panies, but even medium-siz brokers, operating mainly the UK, cannot justify the e pense of such a departmer The answer is to pool inform tion centrally and using BIB would seem a logical meth of doing this.

The proposed service is st in the formative stages, wi BIBA looking into ways of pr viding this service. It wonld b on the lines of providing usef loformation lo members fro which tbey could make a judg ment rather than producing list of recommeoded insure and reinsurers.

Eric Sho

INSURANCE BROKING II

John Moore *reports on the views of leading members of the industry on both sides of the Atlantic*

Top men's ideas on developments in the international arena

JOHN REGAN: MARSH AND McLENNAN

Hopes for further links

JOHN REGAN, chairman of Marsh and McLennan Companies, the world's largest insurance broker, says he hopes that there will be "further links between UK and U.S. brokers" since he believes that "the role of the insurance broker is increasingly international in scope and the UK and U.S. firms typically complement one another very well."

Regan hopes that non-insurance interests "will not become involved in broking and do not expect that they will—or if they do, I doubt that it will work well." He adds: "In the UK, the experience of banks owning brokerage firms tend, I think, to bear this out." In the U.S., where Marsh and McLennan is headquartered, "there have been and are legal prohibitions preventing banks getting into non-banking areas. *From what* I have heard and read about it, I expect that these restrictions will be modified only to a limited extent, in the directions primarily of inter-state banking and the securities business."

Regan feels that there is not "any synergistic benefit at all to a brokerage firm being owned by an industrial company."

Assuming that brokerage firms remain independent business units he expects "they would enrich their services, as they have in the past, emphasising *advice* in the risk management area increasingly more *than transactions." The defini*tion of risk will gradually broaden out "even to include 'uninsurable areas'." He expects that the range of professional services offered by his company will expand. "For example, we recently acquired National Economic Research Associates, a consulting firm."

Marsh and McLennan, he said, is committed to "maximising the potential of that which we do best—insurance brokerage, risk management and other professional services. As we have publicly stated, we have adopted a policy of avoiding underwriting activities, both risk taking and management, simply because we feel we will do the job of broking better—and reflecting the fact that we see them as quite different and somewhat antagonistic, activities."

Of the New York Insurance Exchange, the Lloyd's style market which has been in operation only a short time, he said "our relationship with that market is excellent. We have supported it from the outset. Of course, it has a long way to go, which is as it should be considering the essentially conservative nature of insurance underwriting."

The other insurance exchanges in the U.S., he feels, have not yet "clearly established themselves or the need for their establishment, but we will be watching what happens. In principle we are in favour of the creation of any new sound market. The principal developing markets around the world, as far as we are concerned, are in places like France more than in the Middle East or China.

Of Lloyd's he says: "We are convinced that it remains the premier market for reinsurance, special risks, and in general, true risks. Under its new mandate and enhanced leadership I would expect that it will settle down to play its traditional leading role."

ALBERT TAHMOUSH: FRANK B. HALL

Increased range of facilities

ALBERT TAHMOUSH, chairman, president and chief executive officer of Frank B. Hall, a major U.S. broker which took over Britain's Leslie and Godwin broking companies in the late 'seventies, says he believes "there will be continuing mergers between *UK* and *U.S.* brokers, some being complete mergers and others on a partial equity basis."

Over the next five years he does not anticipate that banking and insurance broking groups will form links and he feels that industrial interest "is beginning to wane as our economy improves and industrial concerns focus their attention on improving their competitive position with respect to their basic products."

He says that U.S. broking firms are providing "more and more of the services normally made available by the underwriters. This is especially true with respect to administration of insurance *programmes*, claims facilities, elastic loss analysis and control—in short, everything except major underwriting risk taking. In addition, U.S. brokers are developing service facilities and products that seem to fall between insurance and financial services. For example in our company we have developed a product that insures against wide swings in the prime interest rate."

Then too, he says, "there are supportive services such as our risk science which evaluates environmental risks. We would estimate *that in 1982 in the so*-called direct brokerage phase of our business approximately half our income was strict brokerage and the other was for services such as I have already described. This obviously does not include employee benefits, reinsurance and some underwriting."

Any underwriting which Frank B. Hall does, he stresses, "is purely an adjunct to our broking and service *activity. It is not our philo*sophy to be in the underwriting business for itself and to compete with other underwriting markets."

DAVID ROWLAND: STEWART WRIGHTSON

Underwriting side helps

DAVID ROWLAND, of Stewart Wrightson, a large UK broker, believes that "the transatlantic marriage market has been set back by the events of the past year in London. My own view is that the setback is temporary and that large firms on each side of the Atlantic will seek to reinforce trading links to their *mutual advantage* by means of a shareholding and/or ownership."

The formation of numerous captive companies by industrial concerns, he says, is one aspect of the move of industrial companies into insurance. "I think that it is less likely that industrial companies will move substantially into insurance broking other than using in-house brokers as a means of saving themselves some commission."

In Britain, he says, "we tend to forget that already the banks are a very significant force in personal life assurance. This is likely to continue. The question is whether any major broker will properly organise its affairs to tackle the life assurance and personal lines field in the UK."

Of the arguments raging in the British market about conflicts of interest Rowland points out that "even if I declared today, which I have no intention of doing, that Stewart Wrightson would divest itself of all its insurance company and underwriting agency activities, we would still have within the broking company itself hundreds of separate underwriting facilities which we manage with authority given to us by Lloyd's underwriters and insurance companies. Volume business would not be transacted through insurance brokers at the same costs without the use of these efficient means of handling large numbers of relatively straightforward and similar transactions." Without these *facilities clients would suffer* higher costs, he argues.

Mr David Rowland

DAVID PALMER: WILLIS FABER

Lloyd's as cornerstone

DAVID PALMER, chairman of Willis Faber, one of Britain's largest insurance brokers, says that "no major broker can operate effectively today by trading solely at Lloyd's. Having said this I am very emphatic *in* my personal belief that Lloyd's should be the cornerstone of the business activities of an international insurance and reinsurance firm like Willis Faber."

More controversially, he does not believe "that a major broker can operate in the classic intermediary capacity. The broker's job is to strike bargains. A bargain is something that is right for both parties. To this extent, I reject the dogma, unfortunately hallowed by law, that the broker solely represents the assured. I have always believed, and always will believe, that the responsible broker has a duty to the underwriter as well as to the assured. If this amounts to a conflict of interest, so be it."

The interwoven fabric of functions in insurance, be argues, *through broking*, agency, insurance company and underwriting agency activity "does not lend itself to meticulous definitions and legalistic delineation of functions. Commerce is rife with *conflicts of interest.*" He stresses that what matters "is the integrity, disclosure of interest and honourable intent that are encapsulated in the principle of 'uberrima fides'—utmost good faith."

Willis Faber, through its subsidiaries, acts as a retail broker, a wholesale broker, an insurer, a managing agent for insurance companies and a *managing* agent for Lloyd's syndicates. "The separation, the interface, the balance and the ethics are not easy to explain or comprehend," said Palmer, who had strong reservations about Parliament's insistence that Lloyd's brokers should divest themselves of their Lloyd's managing agencies.

"We manage and underwrite in London for 10 British and overseas companies," he says. "We have steadily increased our own investments in risk-bearing and now have *two companies wholly owned* with combined assets of £15m.

He defends his company's role in introducing overseas insurers to the London market, a trend which critics have said adds to excess capacity. "One of our prime objectives is to bend every effort to enhancing the standing of London as the world's leading insurance centre." If insurers in London were to attempt to deter overseas insurers *from participating* in the international market in London "we are simply inviting them to run up their flag and establish an international capability in their own home country and thereby compete with the London market rather than participating in it.

But if Palmer is keen to see his group provide a full range of insurance services, he believes that the large insurance broking groups should "stick to their last." He mentions: "We did dabble in ship broking and it did not do us any good. It went wrong and we got out. There is enough change and development in the insurance industry itself to keep us all fully stretched."

Of the Lloyd's troubles he says "far too little emphasis has been given to the fact that *the security of Lloyd's* has at no time been challenged or called into question. Our objective must be to heal the wounds, bridge the divisive gaps between the segments of the market, put our weight behind the implementation of the new Lloyd's Act of Parliament, support the new Lloyd's chief executive to the full and put the sad saga of recent years firmly behind us."

Mr David Palmer

CHRISTOPHER PRICE: HOGG ROBINSON

Eye on new markets

CHRISTOPHER PRICE of British broker, Hogg Robinson, argues that "it is difficult to see that there can be many more links forged between the London market and the U.S. The most significant brokerage group without a *formal* link is, of course, Sedgwick Group. Obviously those companies that are linked will try to direct their business through their links. This will be a slow process because of the specialisation and personal ties that are established."

The "better profits available in the insurance related industries," he says, "have undoubtedly attracted a lot of outside investment. The highly publicised problems of Lloyd's and the possibility of more in*dustrial growth may detract* from the previous attraction of this sector."

Price stresses that "underwriting cannot be a major commitment for the future," among the brokers. "It will inevitably become less important. In the light of this the strategy of Hogg Robinson is to increase the concentration on our high quality consultancy and broking based services which are provided within the insurance context.

"For example, we plan to develop further our existing strength in such areas as credit and political risk insurance, which are supported by expert consultancy and advisory services. There is also scope for expansion of our benefit consultancy services covering pensions, life assurance, and *the* whole range of personal financing planning. The same strategy applies to Hogg Robinson's overseas network."

Of the newer markets he says: "these are not yet substantial alternatives but we are watching them closely," and hopes that "Lloyd's major problems are behind them. We continue to see Lloyd's playing a significant part in world markets for insurance."

Mr Christopher Price

NEIL MILLS: SEDGWICK GROUP

Faith in London

NEIL MILLS, chairman of Britain's largest independent insurance broker, Sedgwick Group, says that recession, high interest rates, inflation, soft markets, overcapacity and underwriting losses worldwide and allegations of malpractice in the London market "may have added to a sense of uncertainty and unease."

He argues that the misapprehensions created about the London market "conceal not only its abiding and in some cases unique attributes. More significantly they hide the fact that in Britain and overseas those who have experience of and really know and understand the working of the London market, although expressing concern, never seriously doubted its overall integrity and stability."

Lloyd's, he says, "was alert to its regulatory weakness, reacted to it and is now exercising new powers given to it by Parliament enabling it to deal effectively with the instances of unprofessional or allegedly irregular practices which have occurred in recent years. However, no policyholder has been adversely affected."

He adds: "Equally, while the difficulties of a continuing soft market prevail insurance companies may allegedly withdraw or restrict underwriting but there have been no company failures and again no catastrophes for the policyholder. The worst that has happened is that the London market through the actions of a minority has suffered damage to its reputation for professionalism and excellence. The damage is being repaired and the professionalism and excellence still remains."

ROBERT CORROON: CORROON AND BLACK

Moves by the banks

ROBERT CORROON, who chairs a large U.S. broker which holds 20 per cent of the shares in Britain's Minet Holdings, said "there probably will be more moves to link UK and U.S. brokers but I personally believe that most of that is behind us when you consider the fact that there are now only four major independent U.S. brokers who already have links."

Unlike some of his competitors he believes that "if federal legislation permits the U.S. banks to engage in the insurance business, I believe you will see them becoming involved in insurance broking."

He feels that the major developments in the next few years will be in "mass marketing and fees for specialised services." Corroon & Black has four major groups, one of which is underwriting management, he says, "where we principally act for non-controlled insurers. We will have a continuing commitment to this activity."

The broking community in the U.S., he says, "will continue to have strong relations with Lloyd's during a period of change. These relations will continue as long as Lloyd's remains competitive. There is considerable debate that Lloyd's could possibly lose its flexibility and creativity if too many restraints are imposed during this period of change. I personally believe that the Lloyd's community and those charged with regulating its affairs have too much sense to do things that would diminish Lloyd's effectiveness."

ANALYSIS OF THE MARKETS

A summary by FT writers

Marine

LAST YEAR saw an improvement in the marine insurance market. A lower number of losses at sea were recorded by the Institute of London Underwriters. Ships of over 500 tonnes gross lost totalled 236 against 248 a year earlier, said the Institute, which represents over 100 insurance companies operating in London. Gross tonnage lost was 1.4m compared with 1.6m in 1981.

Lloyd's and London insurance companies are reckoned to receive around half the world's marine insurance premiums, with Lloyd's holding a 20 per cent market share. So the effect of the cutting of rates, which are supported by the dominance of the market, may not have been as severe in other classes of business.

But the basic problem for marine insurers bas been the state of the shipping industry. Last year the amount of tonnage lying idle showed an almost four-fold increase to 44m gross tonnes by the end of December, which *has acted as a brake on rate increases.*

Recent projections by Lloyd's of the situation in the current year suggest that marine claims could rise 45 per cent on last year to reach £365m on major vessels.

Set against a background of falling interest rates in the UK underwriters have taken action to prevent a sharp downturn and to harden rates.

Aviation

UNDERWRITING losses on *aviation busines took off again steeply* last year following a relatively favourable experience in 1981. If the aviation sector was bad the picture in space was even worse.

Eighteen Western-built jet losses wera recorded in 1982 with a total hull valne of $220m. This compared with a loss of nearly $121m on 11 aircraft in 1981, an untypically good year for the aviation sector according to the Institute of London Underwriters.

Wide-bodied jets proved particularly costly with the three aircraft of this type to be written off accounting for abont $118m, more than half the total.

The depressed state of the world airline industry was reflected in the failure of two large companies, Braniff and Laker, and prospects for growth in the foreseeable future are meagre.

In space, according to the institute, results were even worse. Insurers have suffered disastrous losses and the loss ratio is running at more than 200 per cent. The first operational flight of the European launcher, Ariane, and India's first communications and weather satellite both ended in failure last year. Even more worrying is the increase in demand for space insurance — the first commercial flight of the Space Shnttle was carried out in 1982 — set against a decreasing ability to spread the risk.

While the risks of satellite insurance are high, so too are the rewards, with premium rates ranging between 5.25 and 13.5 per cent of the insured value.

Efforts have been made to increase capacity and it is currently estimated by some participants in the market to be around $125m.

The increasing number of launches is straining these limits however, while there is growing potential demand from companies involved in broadcasting, telecommunication and data-transmission for cover for the breakdown of cbannels they buy or lease and for interruption to their business.

With new launchers, such as the Shuttle, capable of carrying two or more satellites the size of the risk and the concentration of risks is growing.

The owners of spacecraft may now take out options to place their payload on a range of launchers so underwriters face the prospect of several large risks ending up on the sama launch vehicle.

Oil and gas

THE OIL and gas market is becoming increasingly competitive at a time wben more drilling rigs are being laid up. According to the Institute of London Underwriters, whatever benefit had been gained from an improving marine market has been offset to some extent by the adverse experience with oil and gas industry risks. Claims coming through to underwriters are rising as some of the biggest offshore losses are recorded. Moreover, there is a growing volume of claims from structural damage as well as an increase in claims following blow-outs.

"Taken together these claims are seriously eroding the premium base, leaving little in reserve to cover the potentially catastrophic concentration of the huge values at risk in the North Sea," warns the Institute.

At the same time the level of activity among clients in this sector is falling. Rates are coming down as more inusrance capacity has become available and rates are expected to be under pressure in this sector for the future.

Contractors

A LOWER level of construction activity in the Middle East as major infracstructure projects are completed, coupled witb overcapacity in insurance markets, has meant that insurance rates have been weak for some time in this class of business. "Rates bave been derisory for some time," said ona broker professional. Contracts works policies have often been rated at below the rates already established on fire and special perils business.

There bas been some withdrawal in insurance capacity as interest rates fall but it is the decline in major project work, as the Middle East completes its infrastructure programme, that is the major concarn. "The tap has been turned off on major projects in public sector works, with the possible exception of Saudi Arabia," said one specialist.

Property and Casualty

THE TRENDS in property and casualty insurance markets are showing a mixed picture. In the U.S., bomeowner insurance, fire and motor business have shown signs of hardening rates bnt overall commercial lines of business are showing huge losses.

The situation is so bad for some insurers, wbere the sea of red ink is causing alarm, that there have been increases in rates in classes of business, in some of the speciality commercial classes and in smaller and medium-sized risks. But the underlying trend is still weak because of competitive conditions.

Commercial business in Canada has also been subject to intensive rate cutting, while rate cutting on fire business in Australia has been fiercer than anywhere else in the world.

In Europe motor rates in the Netherlands, in a tightly regulated market, have been pegged for a number of years, while in Germany, although the motor market is tightly controlled by the Government, a reduction in motor damage costs have belped overall performance in this line of business.

The introduction of a new tariff system on industrial fire bnsiness interruption insurance in Germany from the beginning of this year is expected to harden rates.

In the UK both private and commercial lines of bnsiness are subject to *soft conditions*, largely exacerbated by the effects of recession, although the major motor insurers have been helped by the rate increases made from late 1981 onwards.

Motor

INSURANCE COMPANIES in Britain and to a lesser extent Lloyd's motor syndicates, ara competing keenly for private motor insurance business—one of the few insurance sectors in the UK offering a reasonable return on capital. The *insurers* are doing this by keeping their basic premium rate steady, when claims experience would indicate a rise in premiums, and secondly by making selective cuts in rates for the more profitable lines, such as the older drivers.

Static premiums, all other things being equal, mean static commisions. But insurance companies are seeking to hold premiums steady by cutting commissions back to the lower end of the accepted scale of 10-15 per cent. A 10 per cent payment is now as common at 12½ per cent—the norm of a year ago.

Meanwhile, insurance brokers are finding their administration expenses rising, fuelled by becoming far more involved in handling clients' claims, including claims against third parties. Margins are very thin.

However, this is being offset by the trend for motorists to go to a broker for motor insurance instead of using the insurance company recommended by his garage. Brokers are finding far more clients for motor insurance — Anthony Glover and Swinton Insurance are reporting rapid expansion. A good service on motor insurance can lead to other more rewarding insurances.

Motorists are now becoming far more cost conscious in their insurance, not besitating to switch their insurer. The broker is baving to comply with this search, while explaining that cheapest is not necessarily the best.

Life and Pensions

LIFE and pension brokers in the UK are at last receiving recognition from life companies for the work they do in securing new business. From tbe beginning of the year, following the end of the old commission agreement operated by the Life Offices Association and the Associated Scottish Life Offices, life companies have been paying bigher commissions to registered insurance brokers.

This is the good news. The bad news is that other full-time intermediaries, not subject to the professional disciplines of insurance brokers, are also receiving higher commissions.

Some life companies do pay a *slightly* bigher *differential* to registered isurance brokers but others pay the same differential, in particular to building societies—the current *bete noir* of brokers.

One bas the feeling that buildiog societies are receiving this higher payment solely from the extra business introduced and MIRAS has given building societies a lot of muscle, rather than from the servicing provided in securing new business.

Tbe traditional life companies are now trying to resolve the commissions situation througb a proposed Registry of Life Assurance Commissions — ROLAC. BIBA has the task of ensuring that registered brokers are duly rewarded in the differential structure proposed under ROLAC.

Reinsurance

UNDERWRITERS are reporting that reinsuranee rates are rising. "The secondary market — the reinsurance market—dictates the primary market, the direct insurers," said one nnderwriter, "and there is a shortage of capacity on certain lines of business in the reinsurance market."

Slowly over the past year reinsurance rates have been rising as some of the cash flow underwriting of the past few years has begun to take its toll on varioue participants. Some spectacular losses ara being recorded in captive companies operating in Bermnda and have led to a contraction in capacity.

But if the captive movement—those companies whicb are run by non-insurance concerns to insure their own risks—is beginning to suffer stress througb attempting to develop insurance portfollos in the reinsurance market, others are likewise feeling the strain. As more participants have entered into the reinsurance arena reinsurance programmes bave become more complex and risks more atomised.

Cash transmissions between reinsurer and those companles protecting the reinsurer against onerous losses througb reinsurance bave slowed down. This has caused some financial strain in the world's relnsurance market. Increased litigation over disputed claims has meant that eventual payments can be beld np for years nntil the cases are settled.

Now the reinsurance market bas contracted following the withdrawal of some participants. Rates are beginning to rise and some classes of business declining.

Now, over a year since the cycle began to show some sign of turning, underwriters and insurers are having to barden their own rates following some contraction in the amount of reinsurance capacity.

The Registration Council, the industry's policing body, has been operating for 18 months. Eric Short reports on progress

Early days yet for judgment on registration

IT IS almost 18-months since the provisions of the Insurance Brokers (Registration) Act 1977 came into force in Britain. So tha natural question to ask is has the Act achieved what it set out to do in controlling the Britisb insurance broking industry and raising the professional status of the insurance broker?

To date, there are 15,300 names on the Individual Register, representing 4,543 separate insurance broking firms, from the one-man operation to the giant multinational Lloyd's broker. The Corporate Register bas 3,146 names, thus leaving almost 1,400 sole proprietor and partnerships wbicb have registered as insurance brokers.

No one can yet draw any firm conclusions from these figures, firstly because no one ever knew bow many firms operated as insurance intermediaries before registration. A head count of the listings under insurance brokers in Yellow Pages produced a figure of around 9,000 before registration.

Secondly, the Registration Council is still receiving a steady stream of applications for registration, even after sucb a long time. Life intermediaries now bave some incentive to register under the differential commissions being paid by many life companies.

Even so, the evidence points to tbe small business insurance intermediary not registeriog for one reason or another. Thomson local directories are segregating registered insurance brokers from other intermediaries so perhaps someone in tbe near future will do another name count.

However, in some districts there are signs proclaiming insurance consultants as well as insurance broker. Brokers still have an educational role in getting over the advantages of using a registered insurance broker.

John Fryer, the regis[illegible] reports that the registra[illegible] system is working smoothly [illegible] sidering the enormous [illegible] undertaken, though be [illegible] *admit* that there were a lo[illegible] teething problems and [illegible] system bas still not settled d[illegible] yet

Tbe technical requirem[illegible] of registration are still [illegible] beadache of the Council. M[illegible] applicants still do not know [illegible] requirements and standi[illegible] needed to obtain registra[illegible] and it is perbaps surpri[illegible] that no one bas produce[illegible] plain language guide to registration procedures.

Vetting role

The Council takes the v[illegible] that since it is ultima[illegible] responsible for vetting [illegible] application, it would ba wr[illegible] to spell out precisely wba[illegible] required or even advise on w[illegible] is necessary. The British In[illegible] ance Brokers Association, wh[illegible] is a separate body from [illegible] Registration Council, does g[illegible] general advice on registrat[illegible] to any intermediary wishing [illegible] apply for registration.

The objective of registrat[illegible] was to raise the status of [illegible] insurance broker by ensur[illegible] that be bad the necessary [illegible] *pertise and integrity, that* bad the necessary finance [illegible] run his business, that accou[illegible] were properly prepared, [illegible] that be had adequate pro[illegible] sional indemnity cover.

To date there has been li[illegible] problem ensuring that the m[illegible] mum standards of expertise [illegible] met, though some people s[illegible] apply too early, before comp[illegible] log the minimum three or [illegible] years' experience.

Even so, these educatio[illegible] and experience requireme[illegible] can only be regarded as [illegible] interim measure and in the n[illegible] *future the requirements sho*[illegible] be changed to ensure both [illegible] minimum educational requi[illegible]

CONTINUED ON NEXT PAGE

orny issues remain to be resolved in the matter of financial links tween brokers and underwriters. John Moore discusses the scene

Interlocking ownership under close scrutiny

ULD BROKERS own or shareholding links with rwriters and should under- ers own brokers? That has one of the main issues r discussion in the past . The latest move by The aul Companies, a Minnesota- d insurance group, and its hase of a significant stake Minet Holdings, the British rance broker, is likely to fresh impetus to the ite.

e issue of brokers' relation- s with underwriters centres nd four main areas.

The brokers' shareholding s with Lloyd's managing ts, the groups which age insurance syndicates at d's. Parliament has insisted these links should be red. This has raised the stion of who should own the cies in the future.

The brokers' continuing tionship through sharehold- links with members' cies, the groups which oduce individuals to Lloyd's dicates. This has raised the stion of whether Lloyd's can ise a structure which can vent actual conflicts of rst in the future.

Brokers ownership of insur- e companies and underwrit- agency activities. If brokers not allowed to have a direct ess to the Lloyd's underwrit- market through share- ding links of underwriting ncy management companies uld they be able to retain ir shareholding with non- d's insurance operations?

Insurance companies' owner- p of broker. In this arrange- nt is there an unacceptable flict of interest created ause of the risk of the prefer- nt in business transactions of er party for the other? reover, would Lloyd's be able assert its authority over a mber broker once owned or trolled by an outside insurer, ticularly if it is an overseas urer?

The question of brokers' nership of underwriting man- ng agencies within the yd's market was resolved by rliament after it heard evi- nce of actual abuse in the ationship. Parliament heard e evidence during the com- ttee readings of the Lloyd's islation designed for improv- g self-regulation within its insurance market.

At risk of abuse in the relationship between brokers and managing agents are the interests of members of Lloyd's, the interests of the assured and the interests of the Lloyd's market. Just three brokers through their managing agency links probably manage the affairs of around half the members of Lloyd's. The eight largest broker-controlled agencies are controlled by the eight largest Lloyd's brokers who between them account for over 60 per cent of the premium income of Lloyd's.

Some 114 underwriting managing agencies out of a total of 303 underwriting agents are owned by brokers. The number of insurance syndicates managed by the 114 broker-controlled managing agencies is 308 out of a total of 431 in the Lloyd's market. The brokers, therefore, in their present relationship with Lloyd's have a direct influence over 71 per cent of insurance syndicates operating within the market.

Market identity

Not only were the conflicts of interest giving rise to actual abuse but Lloyd's market identity was at risk with the fusion of capacity.

In its recent review of the *underwriting agency system*, prepared after Lloyd's gave undertakings to Parliament, Lloyd's has said that "those who control and manage agencies should be within the jurisdiction of the council (the new Lloyd's ruling body)."

Lloyd's argues that, although abuses have arisen in entities controlled by persons within the jurisdiction of the Lloyd's authorities, for self-regulation to be effective it is necessary that those who have the ultimate control of the agency function to be able to feel that they are members of the same society, regard Lloyd's as their market place, and have a common interest in maintaining its quality and integrity. "We doubt whether this sense of community would persist indefinitely if agencies became owned and controlled by persons outside the Lloyd's community. We would fear for self-regulation in that event," said the working party which reviewed the agency system.

To this end Lloyd's working party has recommended that when the managing agencies are sold under the divestment provisions not less "than two thirds of the voting power" of the agencies should be beneficially owned by members of Lloyd's. Up to one third of the voting equity can be held by outsiders but there is no limitation on the amount of non-voting shares which can be held by outsiders. Not less than two thirds of a board of directors of a managing agency should be Lloyd's professional underwriters and outside directors are permitted to join the board.

"We recognise that by restricting ownership of shares, we are favouring soma prospective purchasers of divestment shares more than others. We believe that our recommendations are *to be preferred over the possibility* of control passing into hands outside the jurisdiction of the council," said the working party.

The question of brokers continuing involvement with *members' agents, the groups which* introduce members to Lloyd's and the market's insurance syndicates, has posed another problem for tha Lloyd's community. The working party carrying out the review of the agency system stressed that "a Lloyd's broker's primary duty is to the insured and a member's agent's primary duty is to the names (the members of Lloyd's)." It cited three areas of potential and actual areas of conflicts of interest in this relationship.

- A broker has power indirectly to influence underwriting policy on insurance syndicates by threatening to withdraw members from the syndicate.
- A broker has the power to prevent the management of the members agent which he controls from withdrawing members of Lloyd's from a syndicate in a case where the members agent's management may think it in the best interest of the members to withdraw.
- A broker has the power to influence the underwriter of the syndicate where that broker introduces members to place reinsurance business through his broking companies.

ANALYSIS OF AGENCIES AT LLOYD'S (AS AT SEPTEMBER, 1982)

1 Total number of Underwriting Agents in Market divided into:—			
(i) Number of pure Managing Agents	=	35	(11%)
(ii) Number of pure Members' Agents	=	105	(35%)
(iii) Number of Managing/Members' Agents	=	163	(54%)
2 Total number of Managing Agents identified as having a Divestment Problem divided into:—			
(i) Number of pure Managing Agents	=	19	(17%)
(ii) Number of Managing/Members' Agents	=	95	(83%)
3 Syndicates:—			
Total number of Syndicates in Lloyd's Market	=	431	
Number of Syndicates managed by the 114 Agents	=	308	(71%)

AMERICAN LINKS WITH UK BROKERS

Alexander & Alexander	Merger with Alexander Howden
Corroon and Black	Owns 20 per cent of Minet Holdings
The St. Paul Companies	Owns 24.96 per cent of Minet Holdings
Frank B. Hall	Owns Leslie and Godwin
Fred S. James, part of Transamerica Corporation	Owns a 57 per cent stake in Wigham Poland
Johnson and Higgins	An informal link with Willis Faber
Marsh & McLennan	Owns C. T. Bowring
Reed Stenhouse	Stenhouse Holdings owns 49 per cent of the shares
The Continental Corporation	Owns a 20 per cent stake in Stenhouse Holdings
Rollins Burdick Hunter, part of Combined International Corporation	Close informal links with C. E. Heath

Actual evidence had been obtained by the working party that auch abuses had taken place in the last two described circumstances. Initially the working party said that brokers should be prohibited voting control of an agency if they wished to continue introducing members to syndicates. Such was the outcry by the brokers, who gave clear warning that unless they retained control of members agencies their commitment to the Lloyd's market might be "damaged," that the working party introduced an option. Providing the brokers do not introduce members who represent more than 20 per cent of the capacity of any one syndicate, they can still retain control. If *they wish to introduce un*limited members to a syndicate then they cannot retain control.

Revelation

The matter is still under discussion but the revelation by the working party of actual cases of conflicts of interest has raised questions whether these links should be retained at all.

The argument about conflicting interests in the broker *underwriter relationship* had spread outside Lloyd's rules. During the Parliamentary arguments over the future structure of Lloyd's those defending the links between brokers and Lloyd's underwriting agency management companies pointed to the brokers ownership of insurance companies. Parliament argued that the two situations were not entirely comparable. Brokers through their Lloyd's underwriting agency management companies did not own the capital that was supporting their Lloyd's agency activities. The capital was pledged by the members of Lloyd's. Brokers owning insurance companies owned the capital. It was the desire to safeguard the interests of members of Lloyd's which prompted divestment.

But the recent announcement by Marsh and McLennan, the largest U.S. broker, that all its insurance company interests were up for sale has sparked off a new examination of the question of brokar ownership of insurance groups.

By far the most sensitive issue in the broker-underwriter relationship was raised in the last few weeks with the build-up of a further 5 per cent stake in Minet Holdings, the British broker, by The St. Paul Companies, a Minnesota-based insurance group. The St. Paul Companies, a large property and casualty insurer, owns 24.96 per cent in Minet. Lloyd's has warned that if St. Paul increases its stake or makes a bid "they might very well find that while they had purchased an insurance broker it would be a broker who was not authorised to place business at Lloyd's."

Lloyd's current ruling, which is to be reviewed next month, is based on a decision taken 11 years or so ago when Lloyd's was faced with a possible takeover by Excess Insurance Company for C. E. Heath, another major broker. The Lloyd's authorities felt that there would be a danger of an insurance company getting and giving preferential treatment if it owned a broker. A rule was imposed limiting outside insurance company interests to 20 per cent, which has been slightly relaxed to 25 per cent.

Yet already groups with large underwriting interests are making inroads into the *Lloyd's broking community*. For instance, Transamerica Corporation, the San Francisco-based financial services group, which has life insurance as well as property and casualty insurance interests, acquired last year the U.S. broker Fred S. James, which in turn holds a 57 per cent shareholding in Wigham Poland, the British broker with Lloyd's interests. Combined International Corporation, a U.S. specialty insurer, primarily selling supplemental accident and health and life insurance policies, last year bought Rollins Burdick Hunter, a U.S. broker which has a long-standing correspondent relationship with C. E. Heath in the London market.

Computers an essential aid to efficiency

RAPIDLY expanding risk-carrying capacity chasing slowly growing business volumes has put insurance brokers in practically all markets under increasing pressure to improve productivity and cut costs.

Recent advances in computer technology have a key role to play in improving efficiency, not least by freeing brokers of an awesome burden of paperwork and thus giving them more time to compete for extra revenue.

Few brokers in either the provincial or City markets would now consider operating without computers. The main differences among them are how they organise their systems.

City brokers need to process huge volumes of paperwork to meet the complex accounting requirements of Lloyd's, but it has been difficult to produce policy details and slips on word processors until recently because they contain numerical material as well as text. The arrival of combined word and data processing systems with access from a single terminal is therefore one advance which has gone to the heart of the industry's needs.

Combined word and data processing is the key feature of Willis Faber and Dumas' Broker Driven Systems (BDS), which started full production earlier this month in the company's Aviation American division and a prototype of which is under trial in its Oil and Gas division.

The principle of BDS is to capture electronically all the text and data relating to a risk as early as possible for re-use in later stages in the processing chain. The system is centred on an IBM mainframe as a data base, linked to an extensive network of IBM data and word processors. Formerly the company depended exclusively on independent mainframe data processing with word processors operating separately.

Support system

BDS also aims to build up a decision support system, including programmes which work out "what if" statistics, risk and loss histories and provide financial projections. Existing systems include analyses of information on all the world's major airlines and loss histories to pinpoint major sources of risk for clients.

BDS, whose software took 60 man-years to develop, will eventually be used throughout Willis Faber's international business and the company plans to supplement its mainframe with local miniprocessors to ensure greater speed and flexibility.

The underlying theme of the BDS approach is to transform working practices back to those in place at the turn of the century, when the company comprised small groups of people each with an intimate knowledge of all the paperwork involved in their clients' business.

Since then the growth in volume and complexity of business has meant that—as with other City brokers—paperwork has become increasingly fragmented. A single transaction can involve around 80 tasks, which could only be achieved by subdividing work into separate and not always co-ordinated units.

Willis Faber leads its sector in this field. Others have been inhibited by the danger that microelectronics are developing so quickly that equipment bought now will soon be out of date. It may be better, they argue, to wait for hardware costs to continue going down and software packages to get more sophisticated—unless like Willis Faber they are prepared to spend substantial sums on writing their own. On the other hand, they risk losing competitive edge if they develop late.

Late decision

Stewart Wrightson is one broker which made a conscious decision to enter the micro-electronic field comparatively late. "This means we are in a better position to evaluate the equipment available," says Mr David Brearley, director of group systems for the company.

Like Willis Faber, Stewart Wrightson is switching from exclusively central mainframe processing to a distributed operation but is taking a different route. Instead of using terminals to tap in to a central data base with the occasional support of local data processing, it plans to *do away* with its mainframe entirely. By 1986 the company aims to be dependent on wholly distributed word and *data processing*.

Stewart Wrightson chose thia option because its operations are more diverse than Willis Faber's and it was felt there was no need for central data storage. More than 90 per cent of the *data needed by indiivdual users* is not shared by other companies in the group. A distributed solution—as opposed to centralised data processing—will be cheaper and more flexible, says Mr Brearley.

The company's present 20-year-old computerised accounting system is based on an IBM mainframe which costs £1.9m annually to run. Each batch of accounts takes up to a month to complete and the system is dangerously dependent on the knowledge of a handful of people—in contrast to the hundreds who will be familiar with the new system which began operating earlier this month.

Stewart Wrightson has invested £1m to date in software and hardware for its new system, a figure which will rise to £1.8m by the end of this year. For the time being, it is geared to automatic accounting and documentation — for the "front end" of the broking business—rather than the much wider range of functions performed by Willis Faber's BDS.

Distributed processing is not in itself unusual but Stewart Wrightson is taking the theme a step further than the more widely accepted IBM type approach, which favours a hierarchy of processors, ultimately driven by a single mainframe.

Stewart Wrightson's mini and micro-processors, which will all be Wangs, will be completely independent, with no single machine "in charge."

Like most big international brokers, Stewart Wrightson writes the bulk of its own software — by far the most expensive part of any complex system — because it is difficult to find standard packages which meet all its highly specialised needs.

Computer companies have tended to fall behind in developing software for the biggest insurance brokers and have found it far easier to create packages for the less extensive needs of the provincial broking market. The main reason is cost. It takes around £100,000 to develop a High Street broking package from scratch and it will attract enough customers to sell for between £10,000 and £20,000. A really sound package of that kind would automate the process of issuing papers of renewal, as well as collect and reconcile premium payments.

But it would cost at least £300,000 to develop the most basic system suitable for Lloyd's — and that would only attract two or three customers.

Mr David Brown, associate director responsible for the London insurance market for CMG computer consultants, says: "Choosing a common answer for a package approach is fraught with problems because brokers tend to want to do things differently." That is why his company concentrates on writing bespoke software for individual brokers rather than off-the-shelf packages.

Logsys Computer Services of Crowthorne agrees with the CMG philosophy but has a different approach. Although the systems it offers are based on standard packages the software is of such a quality that it is easily adaptable to clients' individual process requirements.

Its latest system, Llibs III (Logsys Lloyds Insurance Broking System) sells for up to £70,000, which includes three VDUa and other hardware.

Adaptability

The system is capable of multi-currency accounting—particularly useful for reinsurance applications—financial modelling, risk analysis and automated documentation. It is based on a number of hardware sub-components, mostly Wangs, which contribute to adaptability. Four international brokers are using earlier versions of Llibs and two more may buy Llibs III.

"We didn't just sit down and develop a broking system," says Mr Stewart Ashton, chairman of Logsys. "What we have done is to fix our attention on making high quality software. This makes easier for us to tailer the system."

Hogg Robinson Systems, set up to market the facilities of its parent company's computer department specifically for provincial brokers, believes there are more than economic arguments for a package approach to that market.

Mr Ron Watson, account manager for Hogg Robinson Systems, points out that a package like his own company'a Computerised Broking Efficiency "has evolved. It is an accumulation of all the experience of all the people who have used it."

It may be a long time before software packages for City brokers have evolved enough to meet their more extensive needs as fully as provincial packages do for their High Street counterparts.

William Dawkins

Judgment on registration

CONTINUED FROM PREVIOUS PAGE

ent and a minimum number of ars' experience.

The audit requirements did use some problems in the itial days of registration, pri- arily because many brokers ept their accounts in a dif- rent form from that laid down r registration. The self- mployed broker often had his siness accounts combined ith his personal accounts. any kept accounts in a hap- azard fashion that the auditor as prepared to work with for chedule D returns but not for e registration requirements.

However, queries on accounts re not now a major problem. lost insurance brokers are eeping accounts in the re- uired form.

Several computer firms have pent time and money devising ystems that can be used by small- and medium-sized brokers to meet the registration accounting requirements.

It would appear that registration has made brokers follow the proper financial disciplines in running their businesses instead of keeping records on the backs of envelopes.

But the effectiveness of registration will ultimately depend on the success of the council in policing the brokers. Already there is a steady trickle of brokers being struck off the register after the disciplinary hearings held once a month.

Several have been struck off the individual register for fraud or dishonesty — these are invariably employees of insurance broking firms.

Others are being struck off for failing to maintain proper Professional Indemnity Insurance.

One of the main causes of complaint against the original registration proposals related to the PI Insurance requirements. Many intermediaries protested that they did not need PI cover, since they handled all the business themselves and they regarded the premium required as excessive.

Some brokers are not maintaining the level of cover required as their business grows, and neglect to update it even though the PI market—like most other markets—is soft. Once brokers come to accept PI insurance as part of their business overheads, like fire and employers' liability, the problem will be much less.

Are the brokers themselves, especially the small firms, satisfied that registration has brought tangible benefits? After all, the Act does not stop anyone from acting as an insurance intermediary, just from using the title insurance broker if they are not registered.

The council is just starting to deal with registration renewals, and incidentally put up the registration fees on January 1 with only a handful of complaints. The retention fee was lifted from £15 to £20 and the business fee from £50 to £85. The previous feea were set in 1978.

There are some brokers attempting not to renew their registration, but this has to be done in a proper manner as laid down by the regulations. A broker cannot simply walk away from registration and trada under another title without explaining to the council why he is doing it.

Individuals have to come into registration with clean hands' and they also have to leave registration with clean hands. So far, the registrar has found that most people who do not renew their registration cannot continue meeting the requirements. In this case, the council goes through the procedure of formally striking them off the register.

So far only a handful of intermediaries have walked away with a clean sheet.

Of course there will be a steady stream of brokers not renewing simply because they have decided to retire or have reached retirement age.

So it is still early days on which to base a judgment on the success or otherwise of registration. At this stage an observer might adopt a neutral attitude —that registration has not.

Risk management has come strongly to the fore in recent years, bringing a need for greater technical expertise

Three factors either side of risk equation

WHEN A major insurance broker such as Sedgwick takes on the risk management consultancy of a highly complex technical project as the new Caracas Metro system, whose first stage opens this year, a 30-year trend turns a full circle.

Mr Paul Bawcutt, the managing director of Risk Research Group, estimated in a recent study that the vogue for risk management began in the early 1950s. He uses the definition of risk management devised by his colleague, Mr Jim Bannister, who says that risk management "is the identification, measurement and economic control of risks that threaten the assets or earnings of a business or other enterprise."

The emphasis is firmly on economic control. As Mr Bawcutt has pointed out "there is no point in spending more on controlling risk than can be justified by the losses that are prevented or the reduction in possibility of a major loss. This "trade-off" is a major factor in risk management and needs to take account of social political and environmental cost factors, *as well as* the physical cost of loss."

It was the growing dissatisfaction among corporate insurance managers with the lack of premium credit they were being given by the mainstream insurance industry for the loss prevention methods that were being introduced for property risks that gradually started the push towards more effective insurance buying. This trend, coupled with the desire of large corporations, initially in the U.S., to retain more risk meant that slowly rate insurance function. Strongly linked to this was the establishment of much greater self insurance through deductibles—the assumption of part of the risk by the insured—and the formation of offshore captive insurance companies.

As risk management developed, the insurance broking industry came to recognise that additional technical expertise was needed by clients as well as more innovative solutions to insurance buying. Mr Bawcutt finds that brokers have responded by setting up risk control departments specialising in technical engineering skills, the establishment of management companies which can look after the captive insurance companies of their major clients and the "transition from the conventional commission-earning basis to a fee basis which reflects more accurately the work and professional advice supplied by the broker rather than relating directly to the amount of insurance that is being sold."

Techniques

Risk management, Mr Bawcutt states, contains three integral techniques! risk evaluation, which includes risk identification and measurement, risk control and risk financing.

Indentification can be broken down into three major categories, namely property, earnings and liability threats. Property risk can be identified by inspection and records analysis while a potential threat to a company's earnings can be isolated by the use of flow charts to indicate the key areas at risk, bottlenecks and loss of market possibilities, activity and a consideration of the possible consequences which would include a breakdown of the threats to which the group is exposed, how these threats arise and how they are increased or reduced.

The first two categories of risk identified are relatively easy to measure given access to historical loss data from the company itself, the sector in which it trades and its principal country of operations. Property risk measurement must take into account the estimate of rebuilding costs and the extent to which the total exposure can be limited or reduced by fire protection and separation of buildings.

Flow charts are an effective tool to assess earnings risk and to apply values at risk at any point in the production trading process. If machinery is an essential capital item, downtime, the availability of spares and the capability to manufacture in-house are some of the factors to be considered. Analysis on the dependence on a particular supplier or customers will be needed to determine the extent to which their loss would affect the company.

Liability measurement, Mr Bawcutt admits, "is extremely hard." The impact of consumerism and changes in legal attitudes make it so given that the potential in many products liability cases can be astronomic "and the effect of pollution on major cities beyond comprehension."

Management has to realise that the sums at risk in these situations potentially add up to the total assets of the company and the "only practical solution is to buy as much liability [illegible] afforded, control measures. It is becoming normal for most large UK companies to have at least £10m liability cover and in some cases this is as much as £50m. For airline operators, limits of £250m are normal."

Risk control is closely allied to the work that went into risk evaluation. That process will have enabled the company to weigh up the circumstances which entail risk and hence to determine the control required. Fire detection and protection devices are the obvious controls for the risk to property and earnings. But the extent to which a company introduces risk control is, of course, determined by the economic trade-off. The intentions as Mr Bawcutt remarks "is to spend a specific amount of money now to reap benefits later."

Control cost

The benefits expected to accrue from loss control need to be calculated both in terms of reducing the probability and the size of loss and by determining what it is worth to the company to reduce the expected possibility of loss when viewed against the cost of the control measures recommended.

The balance of this trade-off can very easily be weighted by an under-estimate of the cost of losses. Property losses includes not just replacement or repair but the loss of earnings during the downtime, the loss of management time when the loss occurs and in subsequent investigation and the loss of sales through the non-availability of a piece of equipment.

A major loss often means major delay. Rebuilding may take many months or years and the company may be forced to safety and environmental standards not envisaged when the premises were first constructed. And a major loss, particularly one relating to a liability claim can involve staged insurance payments spread over several years.

Although a company's insurance manager, or risk manager aa this post is now described more often than not, is usually able to eliminate a high degree of loss uncertainty, it is not possible to remove all trace of risk *and the residual risks must* be covered.

The risk financing target, tha third key element of risk management, is to be able to meet after-loss expenses by replacing assets lost, replacing earnings *that would otherwise* have been achieved and paying for any additional special expenses. To meet that target, the risk manager may either decide to pay for losses from normal budgets, to create a special contingency reserve fund, or to buy insurance. Insurance purchases open up three further options: to buy insurance from the direct regular market, from the reinsurance market or to set up a captive to service the company's insurance needa.

To determine how much risk a company should retain in-house, it is wortbwhile to estimate the total amount of losses that are not insured and retained within the company and then applying the company's risk-taking approach to the potential amount of risk. Mr. Bawcutt believes. "For a normal company which is neither conservative nor a risk-taker a starting point could be one per cent of pre-tax profit plus any insurance premium saved by a self-insurance programme."

PROPERTY

Grade I house plus loo and golf course

BY JUNE FIELD

A SIGNIFICANT absentee st the sale hriefing oo Monday at Lord Brownlow's Beltoo Estate just north of Grantham, Lincolnshire, was Lord Brownlow himself.

The selling agents, Savills, Escritt snd Barrell, and Christie's, were unable to say whether he was in the country. (After selling his mill house home oear Belton, and his Pimlico penthouse maiaonette last year, he now tives and works as an insurance broker in Paris).

However, discreet enquiries in London revealed that the unssuming Lord Brownlow, who prefers to keep a low profile, is in England for a short stay, having arrived at a Chelsea hotel. So why the reticence?

Geoffrey van Cutsem, Savills' partner master-minding the sale operation, says: "Lord Brownlow is so deeply affected hy tha disposal of his ancestral hnme, that he really felt incapable of dealing dispassionately with searching enquiries."

The reason for the sale baa been widely publicised—that it is essential for someone with considerable finsncial resources to take over the running of the 4,792-acre estate.

The basic package on offer is the lmposing lale 17th century house with ita rare Grade 1 listing, some 800 acres, seven coltages, s let golf course and a motor and bicycle museum. In addition the purchaser will get pricetcss fixtures and fittings such as Grinling Gibbons' carvings, Aubusson tapestry carpets, richly fringed curlains (although some a little the worse for wear), garden ornaments and various canopied beds, including one that Queen Adelaid, wife of William IV, slept in. And in the lsvish Chinese bedroom stayed Edward VIII, s personal frined of Lord Brownlow's fsther, Peregrine, the 6th Bsron, who escorted the then Mrs Wallis Simpson lo France, where shs was eventually joined hy the ex-King for their wedding.

Pier-glasses, some light fittings, even pokers and bell-pults are all iocluded in the asking price of £2½m. Further acquisitions of land snd works of art bring the price up accordingly. On ths faca of it, the opening package is a bsrgain. But although te structure of tha building la good, the maiotenance cost of such a great treasure house must be formidable; and to make it more acceptsble for modern living a certain amount of refurbishment is required. The original kitchens are subterranean, the present kitchen could be improved, tha bathrooms sre hardly Bonsack, and at lesst ona of them has a thunder box-style loo.

Serious poteotial purchasers can contact Geoffrey van Cutsem, Savills, 20 Grosvenor Hill, London, W.1., or if you just want to go and look at Belton, the bouse and grounds are open to the pnblic in the afternoons from Tuesdays to Fridays, Sundays and Bank Holidays, 1 April to 2 October.

The Belton Estate, near Grantham, Lincolnshire. The listed Grade I c. 1688 house has a total of 26 bedrooms, 7 bathrooms, 10 living rooms and a chapel, plus 7 cottages, a let golf course, and 800 acres for which the price is £2.5m, while the entire 4,792-acre estate is £7.5m. Brochure, Geoffrey van Cutsem, Savills, 20 Grosvenor Hill, London, W.1, or Excritt & Barrell, Elmer House, Grantham, Lincs.

Murray Chandler poised to be GM

CHESS

LEONARD BARDEN

MURRAY CHANDLER, the 23-year-old New Zealander who has made his bome in London, is poised lo become our latest grandmaster after his success in this month's Dortmund international. He shared second prize and fioished abead of three established GMs.

Results were Suba (Rumania) 8 out of 11, Hort (Czech) and Chandler (England/New Zealand) 7½, Chiburdanidze (USSR) 7, Kindermann (West Germany) 6, Wedberg (Swedeo), Lobron (West Germany) and Csom (Hungary) 5½, Gufeld (USSR) 5, Grzesik (West Germany) and Short (England) 3, Bischoff (West Germany) 2½.

Chandler now has two of the three grandmaster performances needed for the title, following an earlier success at New York 1980. His West German league results, helter than Spassky in the same season, may also count although under FIDE rules his opponents included one too many West Germans. FIDE (World Chess Federatinn) tilles are verified by a committee whicb often allows minor rule variatioos where the player's overall performance is al GM level, and on precedent Chandler should become a GM this autumn.

If so, he will be the first GM originating from Australasia, whose distance from European tournaments has limiled the progress of many laleots. Credil is due to the National Bank of New Zealand and its London office which gave him vital support when still an unknown junior with few opportunities to compete io world class events.

Two other notable results in Dortmund form an odd contrast: woman world champion Maia Chiburdanidze had one of her best performances in male company, while Nigel Short badly disappointed. This week's game features the rare sight of a Russian grandmaster trapped by his own analysis.

White: M. Chandler (England/New Zealand)
Black: E. Gufeld (USSR)
Sicilian Defence
(Dortmund 1983)

1 P-K4, P-QB4; 2 N-KB3, N-QB3; 3 P-Q4, PxP; 4 NxP, Q-N3.

The early queen excursion looks artificial, but drives the white knight from its best central square. GM Gufeld is a known specialist in the line so Chandler was able to follow the Russian's earlier games with some confidence.

5 N-N3, N-B3; 6 N-B3 P-K3; 7 B-Q3, P-QR3; 8 0-0, B-K2; 9 B-K3, Q-B2; 10 P-B4, P-Q3; 11 Q-B3, 0-0; 12 QR-K1, P-QN4; 13 P-KN4, B-N2; 14 P-N5, N-Q2; 15 Q-R5, N-N5; 16 R-B3, P-N3; 17 Q-R6, P-B4.

Gufeld assesses this positioo as "unclear" io the theoretical journal *Chess Informont*. Analysing on his pocket sel in the hotel, Chandler found the refutation.

18 PxP! KPxP; 19 R-R3, R-B2; 20 B-Q4 (threat 21 QxNP ch), N-B1; 21 BxBP!

The decisive point. If (a) 21...NPxB; 22 P-N6, NxP; 23 QxN ch, K-B1; 24 RxRP wins (b) 21...RxB; 22 Q-N7 mate (c) 21...BxP; 22 PxB, RxB; 23 B-B6 planniog 24 R-K7 wins. Gufeld thought for more than an hour before replying.

21...Q-B3; 22 B-K4, P-Q4; 23 B-N2, Q-Q2; 24 R-K2, Q-B4? (R-K1 is a stiffer defence); 25 R-K5! QxQBP; 26 R(R3)-K3, B-Q3; 27 R-K2, Q-Q6; 28 R-Q2, Q-B5; 29 N-R5.

Black has regained the pawn, but this is all in White's plans. Once the QP, the linchpin of Black's defence, falls then Black's game will fold.

29...Q-B1; 30 NxB, RxN.

If 30...BxR; 31 BxB, RxN; 32 P-QR3 followed by BxQP.

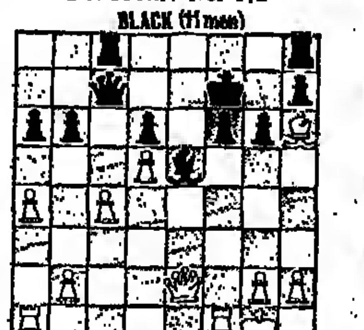
31 P-QR3, N-K3; 32 PxN, NxB; 33 RxN; BxR; 34 PxB, K-R1; 35 BxP, R-Q2; 36 B-K6, RxR.

Desperation. Black could already resign, and his slim hope of perpetual check with the rooks is easily slopped.

37 BxQ, RxB; 38 Q-R3, R-KB1; 39 P-K6, P-KR4; 40 P-K7, R-K1; 41 Q-K6, R-N5 ch; 42 K-R1, Resigns.

POSITION No. 472

BLACK (11 men)



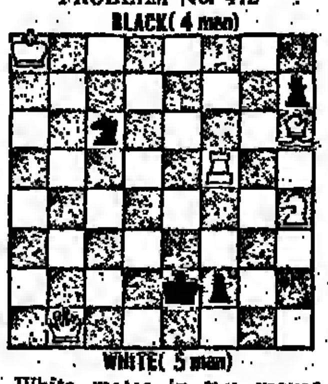
WHITE (11 men)

Smyslov v. Grigorian, USSR championship 1976. How did White (to move) win quickly?

62-year-old Smyslov has qualified for the world title semifinals. He tied 7-7 with Huhner and went through on drawing of lots. Now he meets Ribli or Torre. Pergamon Press have just issued Smyslov's book *125 Selected Games* (0.95 hardcover), all deeply annotated in accordance with the author's belief that chess is a "search for harmony" of the pieces.

PROBLEM No. 472

BLACK (4 men)



WHITE (5 men)

White mates in two moves, against any defence (by D. Hjelle). Solutions Page 16

BRIDGE

False carding in bridge

BY E. P. C. COTTER

DECEPTION IS part aod parcel of the expert player's game, but it must not be lacking in the elements of surprise and subtlety. Crude aod indiscriminate false carding is to be deprecated, for it works against the perpetrator—the opponents find him easy to play against, aod his partner fiods him impossible to play with.

Here is an instructive hand which occurred in a rubber of good standard:

N
♠ 7 5 3
♡ J 9 3
◇ A K 10 8 3
♣ 8 6

W
♠ A Q
♡ 7 5 2
◇ J 6 4
♣ K Q 10 5 2

E
♠ 8 6 2
♡ K 8 4
◇ Q 9 2
♣ J 9 7 3

S
♠ K J 10 9 4
♡ A Q 10 6
◇ 7 5
♣ A 4

Both sides were vulnerable when South dealt and bid one spade. North replied with two diamonds—he is just good enough for this two-level takeout—aod South rebid two hearts. North, of course, could only give simple preference with two spades, but South felt justified in making a try for game by saying three spades, and North raised to four spades, knowing that it might require some luck.

West led the club King, taken by the Ace, and the declarer crossed to the King of diamonds, led a spade, and finessed his Knave. West, the best player of the quartet, had been doing some hard thinking—he could see three winners in the black suits, provided that South held another club, but where was the vital fourth trick to come from? The ooly hope was that East had a guarded heart hooour, and that the declarer could be persuaded to take a secood finesse in spades instead of a heart finesse which was certain to succeed. It was the classic situation for a ducking play in trumps, but this did not seem possible, as he held Ace and Queen alone.

The light dawned. If he won the spade Knave with his Ace, the declarer would surely use the one remaining entry dummy to take a second fine against the trump Queen, and prepared to give up a trick hearts. West played his spa Ace, cashed his club Queen, a led a diamond. The Ace w and declarer led another spa finessing the ten, to his surpr West produced the Queen, a the contract was now unma able.

Deception is, of course, confined to the play of cards. Let me show you a ha of years ago, which I grea treasure:

N
♠ 10 6
♡ —
◇ J 10 6 4 2
♣ A Q 10 7 4 3

W
♠ J 7 5 4 3
♡ J 8 5 3 2
◇ 7
♣ 8 6

E
♠ A K
♡ A K
◇ A
♣ K J 9

S
♠ Q 9
♡ Q 10 7 6
◇ K Q 9 8 5 3
♣ 5

It was ao all-international ta when at a love score my part dealt in the South seat a passed. West also passed, an decided to put up some show resistance—I bid one club. E doubled, and South said diamond. There was a glimm of hope, but the diamond must be concealed, so I re two clubs. East doubled ag and my partner rescued it two diamonds—just what wanted. West passed aga though he might have said t spades, and I said two trumps. East's double was l the crack of a machine-gun, a my partner said three diamon I said four clubs—it was s too early to "accept" diamor —East doubled with an air finality and triumph, and partner passed with a look resignation. After West h passed I said four diamonds East was too far programm to say anything but "doubl and that was the end of t auction.

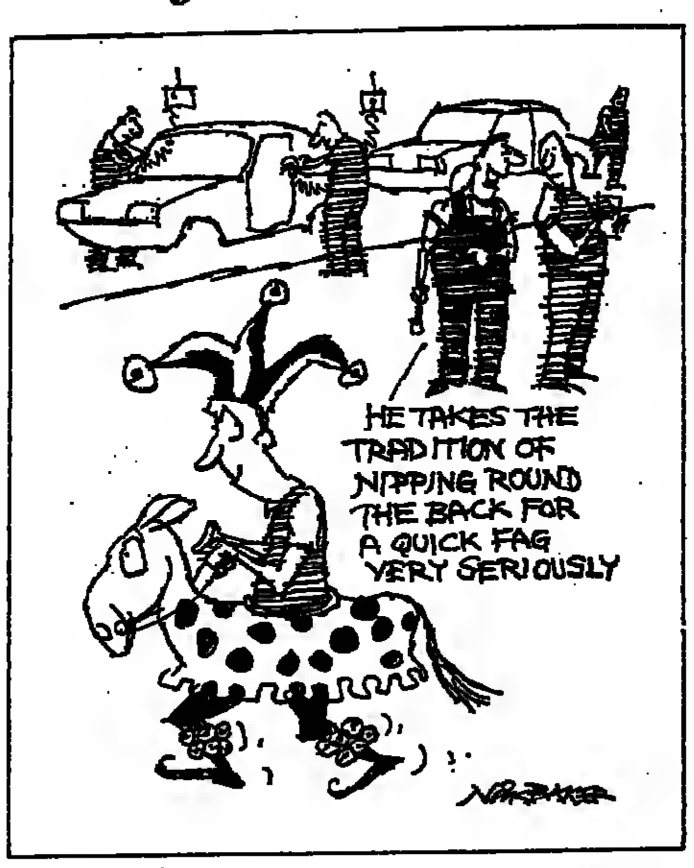
There was nothing to t play, the defence took Ace, K of spades and the trump A so the contract was made. Fo spades could be defeated, b four hearts was on ice for opponents.

COMPANY NOTICES

هكذا من الأصل

Paul Jennings reports on the song-fetling and towel boys at the root of the Cowley dispute

A tale of industrial folk



EALLY is extraordinary ot one of the newspaper about the washing-time e of BL at Cowley. er pro-management or rk-force, attempted to go d saying that the practice "traditional." When Cecil was collecting English ngs be found that Morris-y, as they then were, had ance adapted an old ishire lusiration, a kind al washing and cleansing at the end of the day's The men filed into the washing-shed and stood at e trough, running the full d length of the shed (and ince replaced by elegant marble individual wash-each with its own hot-her, of course) and stood few moments in silence.

n the Song-fetler, a man lly chosen for his deep nt voice, intoned:

e be cleor water and soop
r clarity
give us foith and hope
d charity

ich the men replied, in roated chorus:

h hands ond foce
s leave this place
differentiols ond disparity
ho HOI!

ould then suit the action words, afterwards being d towels by the "towel as Cowley apprentices known till the reorganisa-f 1919. Sharp thought the ce went right back to n times.

hough this has been known long time, it is only tly that social historians nthropologists have come alise that the custom and s like it are not isolated sities but evidence for a ing new theory that old h folklore and tradition, om disappearing with the trial Revolution, flourish richly than ever in factory nine, shipyard and mill.

is now thought that the name of William Morris, Lord Nuffield, goes back to ncestor who was a folk r so famous in his day he gave his name to the century revival of one r specialised branch of it, kind with bells on the ers, waving handkerchiefs clashing staves that you see done by urban ntants outside rural pubs. t at any factory you can something far older, such e Old Trades Dance, where actions of men winding a magneto, turning a starting handle, horing holes for the bottom lugs of celluloid side-screens in "touring cars," inserting these screens, or miming the irregular rhythms of hygone pneumatic windscreen wipers, are skilfully incorporated into a dance, often to a tune called "Mr Fawcett's Jig," named after a 19th-century shop steward who preserved all these trades in the teeth of management opposition for many years.

Variations of the "Straw Tea Woman" rhyme are found throughout the country. In most factories with continuous production lines the "tea lady" who appeared with her old-fashioned, rattling trolley, uncertainly steered on wobbling castors, with her big aluminium teapot, bowl of sugar, and often accompanying sales tray of chocolate, clothes pegs, razor blades, cigarette papers, small pornographic magazines etc was unpredictable as to exact time of arrival, depending on sales in previous departments, day of the week and various other factors, that it became increasingly difficult to time the temporary halt of the assembly line with her arrival.

For many years now she has been replaced by an automatic vending machine, which the men can patronise any time they feel like it so long as they can run to it, get their tea or coffee and run back to their places without spilling any and without stopping their work.

But at exactly the same time every mid-morning and mid-afternoon the line does stop for about 40 seconds when the Straw Tea Woman, often an elaborate figure made by older workers in the last six months before their redundancy, is wheeled in. The men then either recite or sing a rhyme which varies from region to region (a forthcoming collection by Professor R. H. Dingwall, Head of the Industrial Folklore Department at Leeds University, will show their astonishing richness and diversity); in many Clydeside shipyards they sing:

Gie us o cup soe bluidy hot
It's half an hour tae drink the lot

whilst a western version is:

Bless thee, mother, tea and cake
Thy sons have earned a nice long break

This is thought to have originated in Quaker-owned chocolate factories and then spread to other industries.

Longbridge, recently the centre of so much strife, has a relationship with the area, partly political and partly industrial, which has roots going back to an untraceable past. The Austin Chamberlains occupied a position not unlike that of the Mayors of the Palace in the Carolingian era. The local name for elevenses, the "lickey" has enshrined for ever the ruinous battle, centuries ago, between these proud officials and the people over their "lickey rights"; and the people's victory, after the historic mass meeting addressed by "Red Nail" on what were then the open waste heathlands of the Bromsgrove Heights is the origin of today's "Lickey Hills." It is not generally known that another right won at this time was free ice cream for the child of any free worker who uttered the cry "Lickey Lo!" three times within the hearing of an ice cream van, an ambulance or a coffin.

The West Midlands, in fact, is particularly rich in these traditions.

There are many versions of the ancient Trade Name Spell, a rhythmic incantation intended to ward off evil imports and ensure the output of cars and motor-cycles. This one has been noted in an area extending from Birmingham to Derby:—

Humber Hillman Standard Rudge
Come back when the time shall judge
Francis-Barnett, AJS,
Clyno, Riley, each man's guess,
Singer, Alvis, Jowett, be
Charmed with Armstrong - Siddeley.
Norton too, and BSA,
Let Jap go and let you stay
Wheely wheely
Moke we freely
Old is good and eke alway
Tomorrow worse than yesterday
Hoi ha HOI!

There is no room here to go into the so-called "Brazier Songs," born of long years of night-picketing, of which we have the oldest tradition in the world; of manager's-head football, foreman-burning, and many other aspects of our rich industrial folklore. But I hope I have said enough to make it clear that there is more than mere washing, as such, behind the Cowley dispute.

Of gnomes and mountains

The Grossmunster towering over Limmatquai, Zurich

TRAVEL

SYLVIE NICKELS

IN A SHOP DOORWAY, a lone guitarist strummed quietly to himself. Round the corner, passers-by paused in a narrow street to listen to a group of young pop musicians. The sound of jazz issued from a nearby bar and, across the river, past the protest slogans, exotically dressed young men sped, sometimes backwards, down a main thoroughfare on silent roller skates. Was this really Zurich —and where, we wondered, had all the "gnomes" gone?

I had forgotten it was such an attractive place, its older district piled upon either side of the Limmat river as it flows out of the lake of Zurich. It is a city of bridges and very many charming prospects dominated by the spires of Grossmünster and Fraumünster (with those fabulous painted glass windows by Chagall), of historic buildings and fine museums, of nooks and crannies and bars and cafés, full of smoke and conviviality. And also a city of considerable sophistication for, in the end, the "gnomes" are comfortingly there, too, as you pass the glossy displays of fashionable Bahnofstrasse and reach Paradeplatz where, in the windows of the Swiss Bank Corporation, the world's latest financial facts and figures wink out at you from television screens.

Like most Swiss towns and resorts, Znrich offers some special packages. A 2-night week-end arrangement, for example, costs about 100-170 SwFr, depending on hotel category, for b. and b. with bath, and a bost of goodies such as free public transport for 24 hours, city sightseeing, a variety of reductions in entrance fees, and coffee and cake or a drink in various restaurants and bars, not to mention "many other surprises".

And, of course, this is also a natural springboard for a selection of stupendous Alpine roundabouts some of whose highlights are encapsulated in the Glacier Express tour, featuring the 150-mile narrow gauge rail route that links St Moritz with Zermatt through 91 tunnels and across 291 bridges across the roof of Europe.

We settled for a less famous and only slightly less dramatic itinerary to that rather neglected chunk of mountain country tucked in between Lake Constance and the upper Rhine. Appenzell, apart from producing one of my favourite cheeses, was one of the earlier mountain cantons to join the embryo Swiss Confederation in the 15th century. It is the name of an extremely pretty lowland town as well as the canton whose mountain peaks rear up to the south of it, culminating in Säntis (2,504 metres) beneath which lies a string of pleasant winter sports resorts, such as Alt St Johann, Unterwasser, Wildhaus. In summer, it's fabulous walking country, uncrowded even at the height of summer when you can walk through Alpine meadows waist-high in wild flowers.

Old traditions die very hard here. It is one of the few places where local government is still practised by *landsgemeinde* — a vote by show of hands (men only!—this is also the last Swiss canton where women do not yet have the local vote) at an annual open air gathering on the last Sunday in April in Appenzell. A major feature of this highly photogenic little town are the painted facades of the houses, a tradition that dates back to the 16th century, was abandoned for a couple of hundred years and revived around 1930, in many cases reverting to original folkloric motifs. The effect is delightful.

From the Appenzell resorts, it's a steep plunge by road down to the upper Rhine and a short hop across to the matching mountain barriers of Liechtenstein. It's easy to dismiss the Principality simply as a quaint little Ruritarian tax haven. In fact, despite the extremely rugged mountains that make up two-thirds of it, it claims to be the most highly industrialised country in the world, its mainly light industries including such varied products as precision instruments, false teeth and edible skins for sausages.

Head of state is H.S.H. Prince Franz Joseph II whose storybook castle (not open to the public) stands out against the mountainside above Vaduz. Parliament consists of 15 members (women don't have the vote here, either—nor, apparently, do they want it), and nearly a third of the population of 26,000 are foreigners.

A high proportion of Liechtenstein's visitors come on a day trip, some simply to collect another stamp in their passports which they don't even need to present if entering from Switzerland, but which they can get franked (by special agreement with Berne) for a very nominal fee at the tourist office in Vaduz. This, the Principality's capital and only town, sprawls at the foot of the mountains close to the Rhine. It hums with the activity of its transient guests few of whom were to be found in the town's three excellent museums that sultry day in late July. One exhibits part of the Prince's art collection, including some superb Rubens. Another is the famous Philately Museum, and the third, the National Museum, concentrates on history.

High above Vaduz are the mountain resorts such as Triesenberg and its many surrounding hamlets, and Malbun, reached through a tunnel. They make idyllic settings for a quiet holiday in one of many small family run hotels, with a choice of walks along 300 km of marked trails, one of which follows the sky-line high above the upper Rhine valley.

Further information: Swiss National Tourist Office, Swiss Centre, 1 New Coventry Street, London W1V 3HG; Liechtenstein National Tourist Office, 9490 Vaduz, Principality of Liechtenstein.

Delights such as angel's trumpet

GARDENING

ARTHUR HELLYER

ANYONE who has visited almost any of the popular warm holiday resorts in winter or spring must have noticed fine bushy plants carrying large, dangling, trumpet-shaped scented flowers, usually white though sometimes flushed with pink or apricot. These are the angel's trumpets, various species and hybrids of datura which are mainly natives of Central and Southern America but are now widely grown all over the world because of their beauty, long flowering season and ease of cultivation.

One kind, *Datura sanguines*, comes from Peru and is sufficiently hardy to be grown outdoors in very mild, sheltered parts of Britain, but it is the least attractive of the family because its flowers, though flushed with orange, are tubular rather than flared into a shapely trumpet. Nevertheless it is an uncommon and highly distinctive plant which never fails to attract attention and it is not in the least difficult to grow, provided it does not get too cold. It will survive a few degrees of frost and will often sprout up from the base even when all tha rather pappy branches have been killed. Like all daturas it can be readily increased by cuttings in a warm propagator in spring or summer.

But it is about the real angel's trumpets and in particular about *Datura suaveolens*, or the plant that passes under that name in gardens, that I want to write now. The naming of daturas is obscure, despite the fact that they are so widely cultivated (or perhaps because of this, since different names have been used in different places) and *D. suaveolens* is no exception.

In Britain, if you are offered seeds or plants of *D. arborea* it is likely to prove the same or so much like *D. sauveolens* as to make no difference. And *D. knightii*, whatever the books may say, will prove to be a double-flowered variation on otherwise similar lines, that is to say a rather open-branched bush with stout stems, large downy leaves, and long, completely pendant flowers.

Use in Britain is primarily as tub plants to be given protection from frost in winter and then trundled out on to patio or terrace in early summer to give delight until the threat of autumn frosts. This suggests the wisdom of taking the plants back into shelter again whether it be in a cool greenhouse, conservatory or any modern equivalent of an old fashioned orangery. Plants can be pruned then so that they take up less space or, if the temperature is sufficiently high, they can be left to go on flowering as long as they feel inclined to do so.

There are other sub-tropical plants that can be grown in the same easy going way. *Plumbago capensis* comes from South Africa and is by nature a weak stemmed shrub that sprawls about finding such support as it may among stiffer stemmed plants.

It is just about as hardy as *Datura sanguinea* which means that it can be grown out of doors in a few very favourable parts of Britain but in most places must be given frost protection in winter. Apart from this there is no difficulty at all in growing it in a tub in good quality loam or even in peat potting compost, though this may need to be renewed more frequently. Like the angel's trumpets it will keep a patio interestingly exotic for months on end and each autumn it can be cut back moderately so that it takes up less room while under cover.

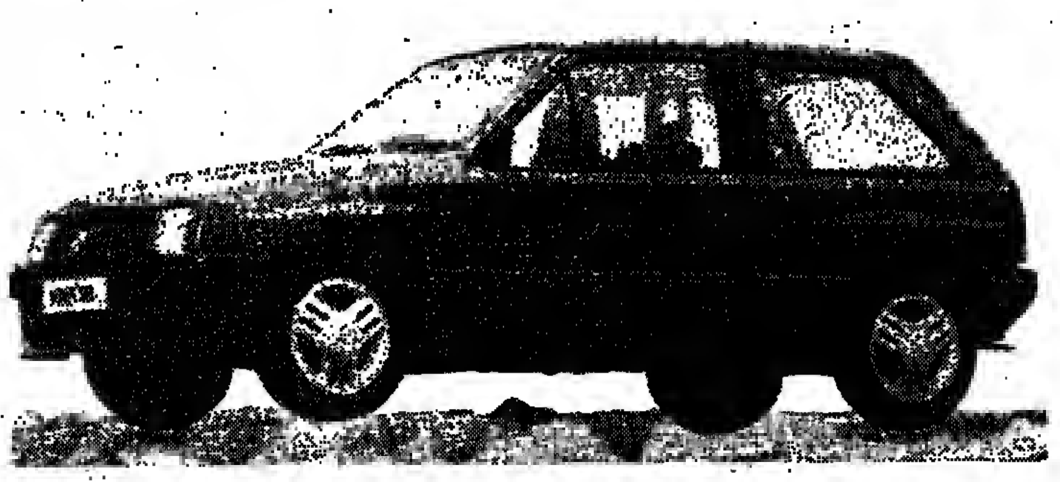
Much the same applies to the ivy-leaved geranium, another long flowering South African plant that has always been overshadowed by the popular bedding geraniums. The ivy-leaved species has never been developed to anything like the same degree and the best varieties are still the very old pale pink Mme Crousse and deeper rose-pink Galilee though scarlet, mauve and vari-coloured varieties are available. Nor has it yet proved possible to raise ivy-leaved geraniums true to colour from seed but this deficiency may soon be rectified since this year seed of trailing geraniums in named varieties is available for the first time. These do not appear to be true ivy-leaved varieties.

They are probably hybrids between them and the more bushy bedding geraniums but it is a start in the right direction and may well prove in the long run to extend the range and usefulness of trailing geraniums.

The true ivy-leaved varieties can attain considerable size if grown on from year to year. In the south of Spain I have seen Galilee penetrating a large cypress hedge and covering it with pink blossom. Ivy-leaved varieties will survive a few degrees of frost if the cold weather does not last too long and may be seen well established in some south coast and Channel Island gardens. But the safe way to grow them is in tubs and hanging baskets which can be moved into protection from October to May and only used outdoors when the weather is settled.

Nor should the Regal pelargoniums be overlooked. They are bushy plants like the bedding geraniums but with larger flowers often blotched with a dark colour on a lighter one and always highly decorative. They do not flower for so long a period as the bedding varieties and so have been used more as greenhouse pot plants than outdoors but they grow well in tubs and can certainly be kept flowering until August, and can be starting to flower by April in a moderately warmed greenhouse. But that would be too early to risk them out of doors although from early June they should be quite safe and it is time they came out into the open more often.

etter ian a Aini



The German-designed Spanish assembled Vauxhall Nova SR hatchback due in the UK in July

MOTORING

STUART MARSHALL

JXHALL'S entry into the ermini class with the nish-built Nova is good news car buyers, bad news for r competitors. The Nova is arkably cheap, especially buyers prepared to do with- a hatchback and have a nal boot instead.

he supermini-sized saloon almost disappeared from model line-up in recent rs but Vauxhall have ught it back. The 1-litre a two-door costs only 496; the equivalent hatch-k is £3,636, a difference of 0.

ist prices mean little nowa-s but, at least in theory, positions the Nova 1-litre chback below the Metro ,699), Fiesta L (£4,240), sun Cherry (£3,990) and bot Samba LS (£3,695). The va hatchback is so similar in earance to the Volkswagen o that they could belong to same family — but the apest Polo is £3,998. Only comparable European ee-doors undercut the 1-litre va hatch and neither has such nprehensive equipment. ese are the Metro City ,380) and the rather basic roën LNA 11E—effectively a badged short wheelbase ugeot 104—at a remarkable ,990.

The prices quoted for the va are for the standard trim level, which includes a lot of things some makers consider as extras. Tailgate wash/wipe, power assisted brakes, laminated screen, halogen headlamps and locking fuel filler, for example.

The Nova is identical to the Opel Corsa, which has been on sale in left-hand drive European markets for some months. A 1.3-litre Nova SR with a more powerful engine developing 69 horsepower against the 1-litre model's 45 bhp and the 1.2-litre car's 54 bhp will reach Britain in July. The SR is more than cosmetically different. The suspension has been stiffened up. Recaro sports seats are fitted and equipment includes sports wheels, a radio/stereo tape player and tinted glass.

In essence, a Nova is a smaller-scale Astra but it doesn't feel like a little car on the road. The McPherson strut independent front suspension and compound crank rear suspension —the latter claimed to give the benefits but not the complication of an independent layout— make the Nova ride firmly but comfortably on most surfaces. Light rack-and-pinion steering combined with front-wheel drive gives nimble handling and excellent roadholding.

Standard equipment is a four-speed gearbox though a five-speeder, standard on the Nova 1.3SR, will be an optional extra on the smaller engined models. The 1-litre hatchback in which I did most of my driving ran willingly up to 65 mph in third gear and would sustain 70-75 mph indefinitely, with another 10 mph or so in hand. The 1.2 litre's top speed is 94 mph and the 1.3 SR, which I have not yet tried, will, Vauxhall say, be good for 100 mph.

The fuel tank—large for this class of car—holds over nine gallons, which will take a light footed Nova driver a long way between fill-ups. Constant speed consumptions of 60.1 mpg at 56 mph are claimed for the 1-litre and 1.2 Novas. The 1-litre's urban consumption is 37.1 mpg, 4 mpg better than that of the larger engined car, which is marginally more economical at a constant 75 mph—44.8 mpg against 44 mpg.

Because of its relatively long 7 ft 8 in wheelbase and wide track, the Nova has a feeling of spaciousness. The doors open wide for reasonably easy access to the back seats. The driving seat went back far enough to suit my long legs but a further inch adjustment is possible by simple workshop adjustment. Bumpers are of plastic and sensibly stout mouldings protect tha side panels from careless door-openers.

Michelin's U-turn

AFTER PROCLAIMING for years that a fat, ultra-low profile tyre needed a special, non-standard wheel, Michelin have made a U-turn. Their new MX V will fit standard, inch-sized wheels, just like Pirelli's P6 and all the other 60 series tyres that have become so popular.

The Michelin TRX range of tyres — the kind that need special wheels of millimetric diameter — will continue to be made and developed. They are used by Ford (the Granada), BMW (the coupés and 7-series saloons) and all French car makers, mainly on up-market models. The new MX V will be made in various section widths from narrow 80 series to fat 60s and even lower profiles may be in prospect. The tyre will compete both with Michelin's own TRX and all the others of 60 series in a market currently dominated by Pirelli.

Michelin say the new MX V offers a combination of comfort, wet grip and long life never previously achieved in an HR (that is, safe at speeds of up to 130 mph) tyre. I tried it briefly in 70-series cross-section around Michelin's five-mile-long high speed circuit near Clermont Ferrand at speeds of up to 125 mph in a Rover 3500. It was exceptionally quiet, even though I was hitting cobblestones as I came off the banking at over 100 mph.

MX is a family of tyres. The basic one replaces the XZX, for long the world's best selling radial tyre. The XZX was renowned for long life and low rolling resistance; MX is even better and has superior wet grip. A fatter, 70 series version of MX, the MX L, is said to have the same rolling resistance (and thus fuel saving capability) as the 80 series MX but will last even longer and hold the road better. And MX V replaces the veteran XVS. The new tyres will be available immediately.

In praise of farmers' glory

COUNTRY NOTES

JOHN CHERRINGTON

IN THE early months of 1932 I was working as an assistant manager on an Estancia, a cattle ranch, in Argentina. The land was dead flat, very dry, hot and dusty and my prospects of advancement slow to say the least of it. A manager's job might be mine at 40 plus—20 years on—with a pretty dreary period in between. Then I received a belated Christmas present, a book, which aroused in me the deepest longing for the English, and in particular the Wiltshire countryside.

It was *Farmers' Glory*, by A. G. Street, quite the best description of south country farming that I have ever read and of the country life which centred round it. Until I read the book I had no idea how farming had been adapted to the Wiltshire hills and valleys. Many of the farms were long and narrow running from the water meadows which had been laid out next to the chalk streams to the arable lands on the lower slopes and then to the downs above.

The water meadows used to be flooded in the spring for early grass, not as you might think for irrigation but because the streams which are constantly replenished by springs are of a consistently higher temperature. This was the task of the drowner and there was rivalry between these experts along the valleys as to who should be the first to have enough grass for his boss's cows.

There are no drowners now that I know of, and it is years since I saw a properly managed water meadow. But the remains of the sluices and ditches are still to be seen and early growth is stimulated by nitrogen from a bag, more efficiently perhaps, but not so romantically.

The arable land was fertilised by the sheep, of which every farm had a flock. These would be part of the four course rotation which in effect meant that over four years half the arable land would have grown feed, turnips or clover on which the sheep fed and the other half wheat and barley for cash sales.

For the rest of the year the sheep were kept on the downland, of which all these farms had quite a large acreage. These are common to this type of country and many people extol the beauty of the short downland grasses and the orchids and other plants that flourish on them. In actual fact they were most unproductive, and their short herbage as much the consequence of constant grazing by rabbits and infertility as any natural inherent goodness.

In fact they were probably man made. The downs were the first areas to be cultivated in Britain. One can see the iron age fields or lynchets everywhere. The soil is a sort of peat, locally known as puffy, and when it was ploughed up during the war found to be very infertile or at least would not grow good crops. One day a friend of mine, almost by accident, sprayed some wheat on his farm with a trace element, two ounces of copper an acre and thenceforth his downland yielded as well as the rest of his farm. Obviously to my mind the early farmer had destroyed soil fertility and sheep grazing was the only use for it until the answer was found.

In this book Street first pictures an almost halcyon period before World War I, when his father's farm was well staffed with a collection of worthy peasants making the best of some very deplorable social conditions. Low wages, bad housing and arbitrary employers, the whole regulated by the dying gasps of the feudal system, against which his father, a man before his time, did his best to fight, or at least show his independence.

Then after a period in Canada, Street returned and eventually took over his father's tenancy, only to have to face the collapse of all the Glory, and as he told me himself, almost certain bankruptcy. He did get back on his feet again by milking cows and selling the milk in Salisbury from his own van.

Farmers' Glory is essential reading for anyone who wishes to understand the changes that were forced onto British farming and the countryside by economic conditions between the wars. It's true as I said the water meadows are no more, sheep no longer fertilise the arable lands and most of the downland except the steepest slopes are under crop or good grass.

Nevertheless Wiltshire where I have farmed for nearly 50 years is still a most beautiful county and the Wylie Valley where Street used to farm is still in its essentials as lovely as ever. I am glad this book has been republished.

Farmers' Glory, A. G. Street, *Oxford Paperbacks*; £2.95

HOW TO SPEND IT by Lucia van der Post

Come into the garden

ON THE WHOLE the British don't need much encouragement when it comes to their gardens—the armies of would-be green-fingered shoppers can be seen at weekends and bank holidays besieging the garden centres, seeking ways of brightening up their patch, whether it be a patio, a window-box or a proper country garden. According to Fisons, the horticultural giant, Britain is a good 15 years ahead of the U.S. in gardening skills.

Anybody wanting yet further inspiration or advice will find that from Monday Liberty of Regent Street, London W1, has turned large portions of the shop into one of the most delightful indoor garden centres in London.

There will be a huge Tudor greenhouse on the ground floor filled with plants, both indoor and outdoor, from Thomas Rochford and Blooms of Bressingham. There will be experts on hand to advise on everything horticultural, whether it be on growing window boxes, planting out, how to turn your hydrangeas blue or what weed-killers you should use.

Besides the finished results, the plants in full and glorious bloom, there will be ample displays and stands of all the more down-to-earth basics that bring the miracle about—a selection of Bulldog tools, both the lightest and the most modern, and a fascinating display of traditional regional tools, from the round-mouthed shovel from the West Country to the solid strapped draining tool from Newcastle.

Though much of the merchandise on display is of the sort that can be found in shops up and down the country, Liberty has got together some very exclusive lines, some of which are featured elsewhere on the page. In addition there is a selection of antique garden furniture, including the newly-fashionable Lloyd Loom chairs (in a selection of colours, some with upholstered seats, some left as they were) and gardens seats from the famous Coalbrookdale workshops.


Peter North

THE Archibald garden furniture, sketched above, is a small collection of four pieces of wooden furniture, which was devised by Richard Stewart-Liberty of Liberty and the Chatsworth carpenters, to be sold exclusively at Liberty. Chatsworth (seat of the Duke of Devonshire) already makes and sells a collection of its own (period-style) garden furniture which was designed in collaboration with David Mlnaric, the interior designer.

It seemed natural, therefore, to Richard Stewart-Liberty to go to the Chatsworth carpenters with his own ideas. He wanted furniture designed with the Liberty tradition in mind and look along some of the store's own archive designs. The shop has always had strong links with the Arts and Crafts movements, with the work of Voysey, Archibald Knox, William Morris, and anybody looking at the drawings will recognise immediately the furniture's design heritage.

The tall back of the sofa, the Arts and Crafts motif in the centre, are all immensely reminiscent of the work of Charles Rennie McIntosh and other designers of the period.

The furniture, as you can see, is made of slatted wood. The whole range is painted white and though it really is not meant to be left out in all weathers, those who have nowhere to store it will find it surprisingly durable.

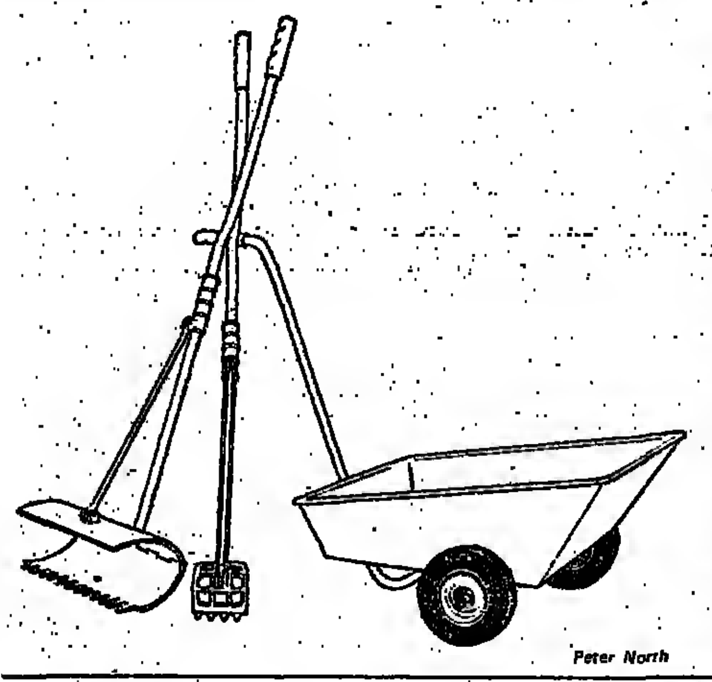
The high-backed sofa (135 cms high by 120 cms long) is £215, the matching high-backed chair is £155. The table, 121 cms by 61 cms by 77 cms, is £225 and the tub or planter is £95, 45 cms square.

This range, known as the Archibald Collection, can only be bought at Liberty.

There will be up-to-date garden furniture for all tastes, from the austerely modern Attitude range (drawn below), to the richly upholstered Hollywood-style chaise-longues, swing-seats and matching awnings.

If you just have a patio there will be lots for you—things like the Scent-off buds, little bud-like pellets which are tied onto the plants to keep neighbouring animals away, £1.04 for a pack. There is a new non-toxic, safe-for-plants lotion to revive and protect timber. A much less aggressive alternative to the usual creosote, it is called Bio-Woody and comes in dark oak or red cedar colour at £3.50 a litre.

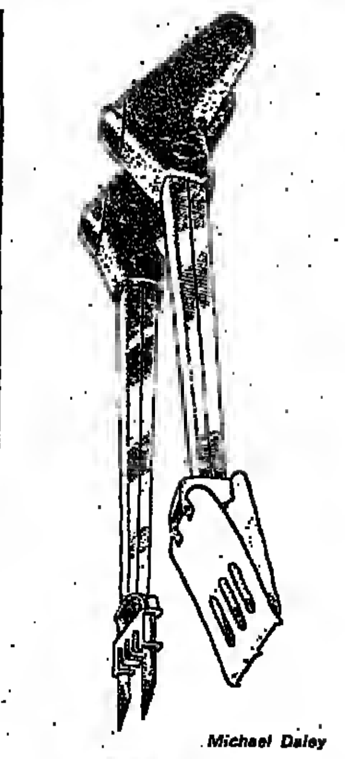
Finally, if you do go along to Liberty, take at look at the windows full of gnomes—banished from the Chelsea Flower Show. Liberty has taken pity on them and given them a home.


Peter North

Left, a collection of gardening aids for those who are not as agile or as strong as they might be.

The Easy Wheeler (by Corrie) is a lightweight wheelbarrow made from galvanised steel with a single-handle for easy movement. It was designed specifically with women or the elderly or disabled in mind, as it can be tipped up with very little effort and guided around easily. It holds 2 cubic feet of leaves or garden rubbish, and costs £26.53.

Resting beside it are some very lightweight gardening tools, again particularly useful for those who cannot bend or move too easily. The Grabber Hoe and the Grabber Rake, can both be operated by simply pushing a lever and each costs £14. Both are made by Wilkinson Sword.

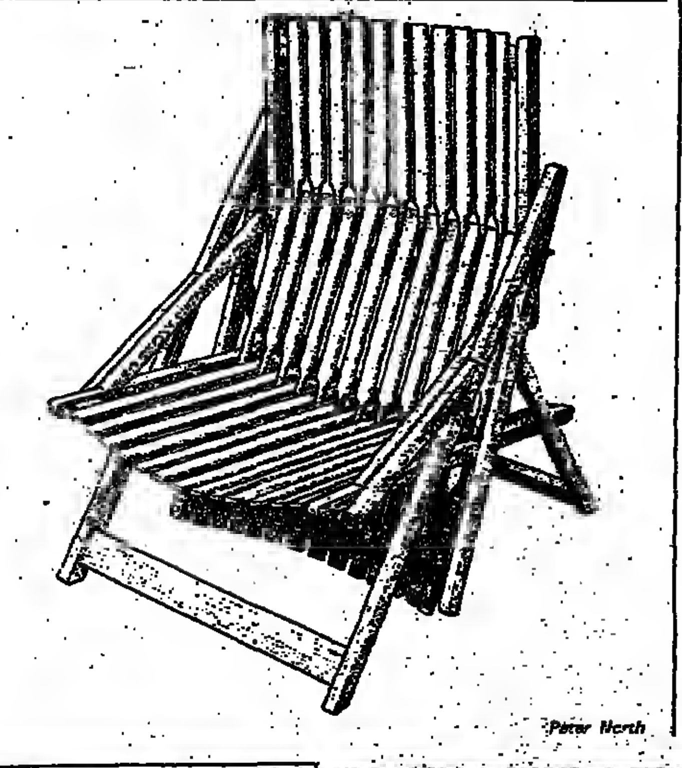

Michael Daley

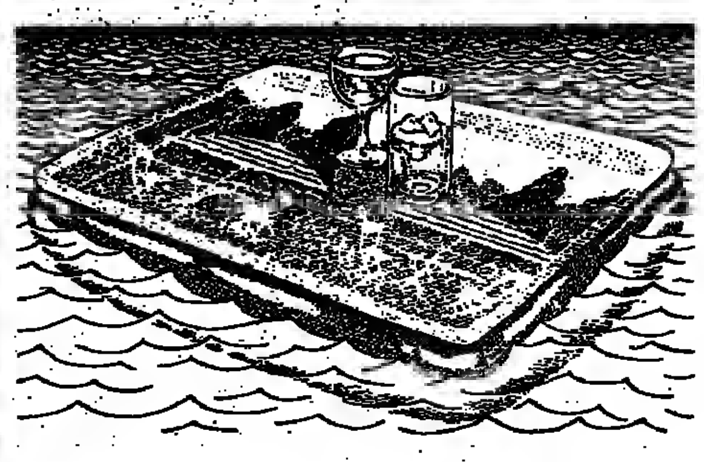
PROTEC Perdenonese is an Italian company whose main business is selling heavy engineering goods. However, for fun, they have produced a range of small domestic utensils—including a series of bottle openers of varying designs, and the barbecue tools sketched above—all of which have a robust, industrial look.

The whole range is made in combinations of black and bright green plastic—which is used for handles and some trimmings—and aluminium or steel. The tools above are not just good to look at—the fork for handling sausages and meat has a push-button which pushes the meat off the end of the fork, while the tongs have a similar mechanism which grabs the piece of food and then easily releases it. They come as a pair called the Spidy Jolly and cost £22.95.

A range of garden furniture, entirely new to me, and of strikingly modern appearance, is the Attitude collection from France. If the shape looks a little austere I can assure you that it is in fact wonderfully comfortable to sit on. Made of varnished maple wood, there are three versions of the chair—the simplest, and to my mind the most attractive version, is shown here and costs £190, but it is also possible to buy it with a headrest and/or a rocking attachment.

To go with the chair there is a stool (£49) and a particularly useful table (£120). The table is 95 cms square and can be used at two heights—either 72 cms high for eating or 31 cms for a coffee table look. The designers suggest it has yet further versatility: that two tables put together can be used as a base for a bed, but I think that is taking versatility too far.


Peter North


Michael Daley

JUST what every swimming-pool needs—an inflatable tray to make sure no swimmer is parted from his liquid refreshments for too long. The melamine tray comes from France, in a variety of designs and the inflatable base may either be blue or transparent. If you haven't a swimming pool, there are plain versions without inflatable bases which make useful and decorative trays. £14.95 each from Liberty of Regent Street, London W1 and leading gift shops around

For poolside or patio living there is also a whole collection of charming but tough tableware—things like Guzzini's acrylic range of glasses, tumblers, trays and bowls. There is also a very attractive tableware set made from melamine which has a creamy background with small, multi-coloured flowers, all at very good prices—£1.50 for the plates, 95p for the small plate and the collection of salad bowls in various sizes cost no more than £4.75 for the

Fresha pasta

BY JULIE HAMILTON


Ledwidge

THE GOODS on sale in our major supermarkets seem to get more exotic (mangoes, lychees, very cheap avocados, okra, etc.) and more exciting every visit I make. The most recent cause for pleasure is my discovery that fresh pasta is now (and has been for a while) on sale in Safeways and Waitrose and many other delicatessens and stores.

Among the Safeway's pasta offerings there is fresh tortellini 250g at 78p; fresh ravioli 250g at 78p; both excellent. Then there are complete dishes, ravioli with Napolitan sauce 500g at 97p; spaghetti bolognese 500g at 97p; lasagne 500g at 85p. Best of all is the tortelloni (ricotta) 250g at 91p. It is green and wonderful: served simply with sage butter poured all over and fresh Parmesan—it must be fresh if possible.

The wholewheat tagliatelli (250g at 62p) is also terrific, served with a seafood sauce (recipe to follow). Also on sale are lasagne sheets (250g at 62p) and paglia-e-fieno (white and green noodles 250g at 62p). Remember these are all freshly-made pastas that have not been dried and therefore will not keep for long. In fact, the sooner they are eaten the better.

So the influence of Italy is forever growing on our kitchens and a good thing too because it can be a most economical—as well as delicious—way of providing a meal.

A new book was published this month called "Italian Regional Cooking, New and Old," by Anna Martini (Century Publishing, £9.95). It does not tell us anything about the author, which makes it a little impersonal, and one or two things have suffered in the translation which must have been done by an American, judging by the spelling.

The use of American measurements is confusing, especially when you come to tablespoons since it seems Americans have much smaller spoons than we do—three of theirs equal two of ours.

That said, the book is fascinating and full of useful information. There is a marvellous section on Italian cured meats and sausages and another on Italian cheeses. There are several recipes which I cannot wait to try, many of them are basically peasant dishes, using wholesome ingredients with great simplicity.

PASTA COI BROCCOLI "ARRIMINATA"

As the recipes in the book move south, down to Campania, Calabria and on to Sicily, so the pasta ideas became more and more exciting, especially in their use of vegetables. Clearly, as the poverty level increases so we find greater inventiveness in the recipes and an increasing use of vegetables. From the many Sicilian recipes I have selected this pasta with broccoli and pine nuts as the most appealing.

4 anchovy fillets; 2 oz sultanas; 1 large head of broccoli or 1 small cauliflower; 1 small onion; 3½ fl oz olive oil; 14 oz ripe or canned tomatoes; 2 oz pine nuts; ¾ lb macaroni or penne; 2 oz grated pecorino cheese; 3 fresh basil leaves.

Soak the sultanas in warm water for 20 minutes. Break the broccoli or cauliflower into florets and steam them until tender, but still with plenty of bite, and keep warm. Slice the onions into fine rings and saute in four tablespoons of olive oil until translucent. Skin, de-seed and chop the tomatoes (if canned, put through a food mill), add them to the onions and simmer for a few minutes.

Add the broccoli, cover and keep warm over a very low heat. Mash the anchovy fillets to a paste, using a fork, over a very low heat in a tablespoon of oil, then add them to the vegetable mixture. Adjust the seasoning. Drain the sultanas and, with the pine nuts, gently mix them into the sauce, being careful not to break up the florets. Cook the pasta in plenty of boiling salted water. When cooked to your liking, transfer to a heated serving bowl and add the sauce. Chop the basil leaves, mix them with the grated cheese and sprinkle over. Serve at once while very hot.

MIXED SEAFOOD SAUCE

Now for my mixed seafood sauce for wholewheat pasta—spaghetti or tagliatelli. It serves six generously.

2 14 oz cans tomatoes; 4 oz plain frozen mussels; 4 oz plain frozen cockles; 4 peeled frozen prawns; 6 fresh squid tubes; 8 oz lar whole unpeeled prawns; good bunch parsley; sm handful fresh thyme; 4 clo garlic; 2 oz butter; 4 tab spoons olive oil; plenty pepper; 1 or 2 teaspo anchovy essence; just one 1 lb wholewheat spaghetti tagliatelli; some season flour.

Heat one tablespoon of oil and add one clove of ga to it. Let it brown lightly, t add the tomatoes which have passed through a f mill to remove the seeds. B to simmering point, add anchovy essence, some pep and cook until reduced b half.

Chop the rest of the ga finely with the parsley thyme. Gently heat two ta spoons of the oil in a l frying pan (or better still i non-stick wok), add the chop herbs, fry gently for a min cover and pull off the heat keep warm.

Using scissors, cut the sc tubes into rings and toss seasoned flour. Heat one ou of the butter with the rem ing oil in a separate frying and fry the squid, a few a time until lightly crisp golden. Remove from the and keep warm until nee Reheat the oil with the he toss the mussels in seaso flour and gently and v briefly fry in the oil with herbs. Add the cockles, tossed in flour, mix well gether and cook for a minut

Add the now reduced tom sauce and the peeled praw Stir, bring to simmering po cover and turn off the he Quickly cook the pasta in ple of salted water and heat a la serving bowl (this can be d by placing the colander in and straining the pasta t way so that the hot water he the bowl). While the pasta cooking, fry the whole praw in the remaining butter u heated well through.

To serve, tip the pasta i the bowl, pour the sauce on and mix slightly. Then add squid and decorate with whole prawns. Serve at on

Finally, don't forget t pasta is surprisingly good co Toss it in olive oil after co ing, then just before servi coat it with a salad dressing a any combination of meat a vegetables that you like. T anchovies and sweet pepp with penne, or noodle bows w cream, chopped smoked salm and dill. It is also worth tryi combinations of cold pasta a diced cold turkey or chick enlivened with chopped cape gherkins, red pepper, parsl and freshly ground bla pepper.

ARTS

Wales and moans

It's been Welsh Week on [Ra]dio 4 and Spanish Week on [Ra]dio 3. Spain was represented [mo]stly by music, though we had [Th]e House of Bernarda Alba [ni]cely done on Sunday, with [Ro]salie Crutchley in the name [pa]rt. Lorca's text was trans[lat]ed by Sue Bradbury, the [di]rector was Michael Hefferman. Wales had a more wholesale [re]cognition. It went on all the [we]ek, if you take it that the [re]peat of Don Haworth's [W]agon as Saturday Night [Th]eatre was a tribute to the [W]elsh national emblem. There [w]as no recipe for leeks in The [Fo]od Programme; but Down [Yo]ur Way came from Rhayader, [Su]e MacGregor took Woman's [H]our to the Rhondda on Mon[da]y, Wynford Vaughan Thomas [co]nceded the Normans' victory [ov]er the Welsh in The Way the [No]rmans Rode, Kaleidoscope [ha]d Paul Allen on current [W]elsh writing, the infinitely [we]lcome voice of Gwyn Thomas [wa]s revived on Wednesday in [a] splendid hour's programme

RADIO

B. A. YOUNG

[ca]lled Laughter Before Night[fa]ll. Monday and Thursday gave [us] Welsh plays with William [Sq]uire in the leading parts, and [Th]ursday gave us the BBC [W]elsh Symphony Orchestra as [we]ll, though playing Beethoven [ra]ther than William Mathias. [An]d Any Questions? came from [Ab]ergele.

Some of my best friends are [W]elsh, but I couldn't under[st]and why the week that began [w]ith St George's Day should [be] so dedicated. The Welsh are [w]ell catered for with Radio [W]ales, Radio Cymru, Radio [Cl]wyd and Radio Gwent, not to [m]ention Swansea Sound and [C]BC at Cardiff on the ILR cir[cu]it. There always seems to [b]e a feeling that they are un[de]rprivileged and need a pat on [th]e shoulder from time to time. [I']ve never spent longer in Wales [th]an three days at a time, but [th]ey seem well served enough [fo]r me.

On Sunday evening, at any [ra]te, Radio 4 relinquished their [Po]ets and gave us the first in[st]alments of two new serials. [N]ew? Well, The Moonstone [w]as introduced as "our new [cl]assic serial," although this [wi]ll be its second time round. [V]ery welcome, anyway, with its [s]plendid Victorian-style tension. [W]ilkie Collins's book is drama[ti]sed by Brian Gear with no little skill at preserving the feeling of the original; John Telfer is Franklin Blake and John Sharp is Gabriel Betteridge, and Brian Miller is the director.

I couldn't feel as much enthusiasm for The Price of Silence, also dramatised from a novel, by Stephen Barlay. Perhaps it will get better; but Sunday's (and Wednesday's) instalment, introducing a wounded Bond-type agent with a dubiously-loyal girlfriend at the moment when the American detection of a deep-space missile is accidentally announced over public radio, is cliché stuff. Ian Hendry makes Maxon, the agent, just like Ian Hendry, and his girlfriend Jacqueline is Toby Robins to the life. As for the Russian high command, you'd know them for Russians anywhere simply from the sound of their voices, even if they hadn't spoken English to one another with a Russian accent. Peter King is the director.

Tempting as it looked, Graham Greene's Yes and No (Radio 3, Friday) was only the silly duologue between a young actor and a director who doesn't know his script that was done as a curtain-raiser to Greene's For Whom the Bell Chimes in Leicester. Clive Francis and Alex Jennings played it under John Tydeman's patient direction.

In The Fine Tuning of Ivor Gurney (Radio 4, Monday), Tim Rose Price was not giving a portrait of Gurney, but trying to show how the world seemed to him in the mental hospital where he ended his days. He believed himself guilty of robbery and murder; he thought he could speak with Beethoven and others; he imagined that he was being tortured by wireless. Mr Rose Price has built up, from the considerable amount of biographical and other material now available, a terrible nightmare extracted from Gurney's youth, his musical training, his service in the war, all roughly mixed together as it might have passed through his mind at the end of his life.

It is ingeniously done, but to my mind has a weakness. Gurney's state of mind is effectively presented; but we do not get a clear picture of Gurney, the poet and composer, long underrated, now at risk of being over-exposed. In Roger Pine's production, transmitted in binaural sound, Gurney is played as boy and as adult, sometimes simultaneously, by Jonathan Owen and Michael N. Harbour respectively. The play will be repeated tomorrow at 2.30 pm.

The Gambler comes up trumps

BY MAX LOPPERT

The final new production of an immensely stimulating English National Opera season at the Coliseum, one that has provoked pleasure, fascination, and fury in about equal measure, goes to the London première of Prokofiev's Dostoyevsky opera *The Gambler* (1915-17, revised 1927-28).

This is a work for which the producer, David Pountney, obviously feels a special affection; he staged it first at Wexford in 1973 and for the Netherlands Opera (from whom the ENO has borrowed the show) two years later; he and Rita McAllister have also provided the English translation. Of a notably untidy but enthralling outburst of Prokofiev's creative youth Mr Pountney has given us a not quite tidy but impressively energetic account, whose best features lend depth and dimension to the work's substance.

Dostoyevsky's novella, a stinging, semi-autobiographical study of gambling madness, is a trenchantly compressed piece of work. With early operatic exploits (most significantly *Maddalena*) behind him, Prokofiev conceived of its operatic translation in terms of a theatrical successor to those early instrumental scores — the first two piano concertos, the *Scythian Suite* — which had already won him a St Petersburg reputation as a "musical madman." The Maryinsky management gave him free rein, and he let his imagination rip; but his adaptation is rough-edged, unclear in detail, often misshapen in its internal proportioning (Prokofiev chose to end, abruptly, at the Dostoyevsky three-quarter mark).

What has clearly kept *The Gambler* from the wider fame now enjoyed by the later *Love for Three Oranges* is no longer the whizzing barbarities of instrumentation and rhythm that led to its Maryinsky abandonment; even in the Brussels revision there are a bounty of those, and they bulk among the opera's most elating inventions. It is, rather, the growing sense one gains, even from this expertly martialled production, of a knotted libretto failing periodically to keep pace with a brilliantly fashioned score.

The characters, in essence even the central couple of the tutor Alexy and his love Pauline, remain on the level of grotesque; of the German watering and ambling hole in all its heavy opulence there is no more than a rough sketch. The music, one sometimes feels, in all its motor-driven rhythms and sulphurous colour blends its *scherzo* is a vehicle for the composer's theatrical exuberance hat could as easily have been inspired b yan entirely different subject.

The signal success of the ENO production is its way of specifying character, place, and plot—the intricate ingenuities that Mr Pountney lavished to ruinous excess on *The Queen of Spades* and to illuminating but still slightly self-servingend on *Rusalka* are entirely apposite hre, and enlisted tothe full. The sets (Maria Björnson) are a no more than serviceable amalgam of gilt façade and slide projection; the between-scene device of spinning a roulette-wheel image on a drop curtain soon grows tiresome.

But the play of characters is superbly well done: the company lights upon whatever psychological hints it can glean and expands them, pursuing a fine, careful path between naturalistic behaviour and mechanical grotesque (as in the famous gambling ensemble). This is company work of a major order, and it sends a current of vitality through the opera.

The cast is without weakness. Graham Clark, so ill suited to Chaikovsky's Hermann earlier in the season, attacks the role of Alexey with startling mastery—the steeliness of his tone is here a help rather than a hindrance, and the physical brio of his presence (which explodes at one point in handstands and cartweels) affords the whole evening a compelling centre-point. Sally Burgess's Pauline is a performance of high distinction; John Tomlinson's General, accurately and powerfully sung, is closely observant of detail that has not yet been wholly integrated.

Supporting roles are splendidly taken, notably by Stuart Kale, Jean Rigby, Edward Byles, and Eric Shilling; and above them all, in two marvellous scenes, towers the bizarre figure of the rich old grandmother who falls prey to the ruling cult of Roulettenburg. Borne on a litter like the Empress of India, Ann Howard establishes a magnificently dotty sense of command; in an evening of admirably clear English diction, she alone could afford to make still more of her crucial asides.

The virtues of this ENO *Gambler* are, indeed, ranged a surprising way round; for while the deterring awkwardness of the staging has been solved, the "surefire" orchestral underpinning sounded, on Thursday, oddly diminished. The conductor, making his Coliseum debut, is the young Romanian Christian Badea, who also led the Netherlands performances, and whom I last heard conducting Gluck in Louisville; as in that *Alceste*, he seemed to me a serious, sensitive but insufficiently vigorous musician.

The score wanted glitter, much sharper rhythmic delineation, far greater woodwind astringency; if I had not, the previous evening, heard Kurt Sanderling and the BBC Symphony cracking the whiplash of the roughly contemporary Second Piano Concerto, I might even have began to wonder whether the fault wasn't Prokofiev's after all. It all needs far greater dash to balance Mr Badea's undoubted merits of considerate handling of his cast (no mean feat). In sum, however, and even thus slightly dulled, this is an ENO achievement of a characteristic kind, not to be missed.

Alastair Muir

Sally Burgess and Graham Clark

From fat to Finland

"Get out of my eggs!" cries the harassed younger brother, defending his plate, to overeating Dom DeLuise in *Fatso* (CBS/Fox). This film, the video curio of the month, has never been released in British cinemas. Anne Bancroft wrote, directed and co-stars, and the movie is a wayward but likeable sentimental comedy about a pasta-plump Italian-American (DeLuise) who drives his family to grief by getting outside a near-lethal consignment of calories every day. Will he follow the example of his obese older brother who's just died of a heart attack? Or will he seek, find and accept the love of a good woman (Candice Azzara) and find marriage a substitute for munching?

Speaking as one who once, years ago, appropriated R2D2's main course at a *Star Wars* Press lunch—with I hasten to add, the small actor's complete consent—I know plate-trespassing as a disease of old. No dish of haggis or bowl of spaghetti is safe within ten yards of me. *Fatso* opens like a whirlwind and climaxes like a hurricane. At both ends of the movie, the double-act chemistry of the splendid DeLuise, with his prissy panicked voice and baby-fat face with features struggling to get out, and Anne Bancroft as his solicitous married sister is a treat.

Between whiles, unfortunately, the movie gets bogged down. Shot in queasily blurred colours (was it made on magnetic tape rather than film?), it looks frightful. And it often *sounds* frightful as Bancroft's script tinkles unhappily through the midsection archnesses of the DeLuise-Azzara romance. Use your fast-forward button freely here. But elsewhere the moments of brio between two colliding stars are well worth cherishing.

No overeating problems for the hero of *Coming Out of The Ice* (Polygram). This made-for-TV movie tells the tale of Victor Herman, the American who spent 20 years in Russian labour camps in the 1930s and 1940s for refusing to accept Soviet nationality.

Herman, played by stricken-eyed and handsome John Savage in his best performance outside *The Deer Hunter*, came to Russia in 1931 to work in a newly established Ford factory. While there, an amateur parachutist, he won the world free-fall record: hence the USSR's desire to naturalise him. After icy years of detention, disease and rat diets in Siberia, he returned to America and wrote his memoirs, on which the film is based.

Shot in Finland, it's a simple but electrifying tale. There's no palaver with subtitles or sonorously implausible Russian accents; since British director Waris Hussein adopts the cunning expedient of casting U.S. actors (including Willie Nelson) as Americans and unaccented British actors (including Ben Cross and Francesca Annis) as the Russkies. Richard Kline photographs the icy wastes with sumptuous horror, and the film deserves to do flourishing business in the video shops.

Venturing further into realms of non-fiction, the educational and self-help sections of the video market are currently booming. Latest instructional cassettes show a large and formidable trend towards turning the women of Great Britain into muscle-flexing Amazons. Female readers, sample *Women of Olympia* (female body-building from TPE Video) and *Hit Back* (self-defence for women from Precision). Male readers, think twice before making any further unsolicited advances towards the fair sex. You're likely to end up on the floor in a large and complicated knot.

VIDEO

NIGEL ANDREWS

Best new educational cassette, however, is targeted at the brain-cells rather than the biceps. Precision's *The Mighty Micro* is the late Dr Christopher Evans's spellbinding sashay through the mysteries of the micro-chip; hitherto a 6-part TV series, now all wrapped up in one 156-minute videotape. Here in glorious video-colour you may watch man's scientific ingenuity stride forward from the earliest "calculators" of the Industrial Revolution, which resemble something baroquely lunatic designed by Heath Robinson, to the modern era of fission and chips that has given us nuclear power, space travel and the pocket calculator.

And the video-recorder. See, learn and enjoy.

New artistic director named

Glen Walford, director of the Secombe Centre in Surrey, is to succeed Bob Eaton as artistic director of the Everyman Theatre in Liverpool.

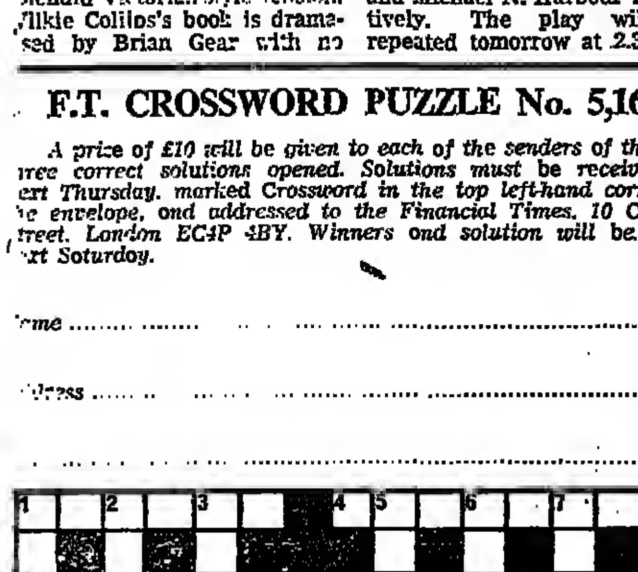
F.T. CROSSWORD PUZZLE No. 5,160

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



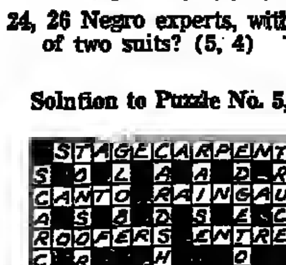
ACROSS

1, 4 The royal 5p, taken by those who .... (6, 8)
9 ....join in silent demonstration (6)
10 Chief-tain, perhaps, to keep (8)
12 Knight with spear—item at auction (8)
13 Shade of pale for Her Majesty after a Sunday (6)
15 Welshman's platform (4)
16 Aid to lad in trouble is extra (10)
19 Centre of a bonbon? (10)
20, 5 down Get rid of a leader in a coupe? (4-4)
23 Thriller writer in no hurry? (6)
25 Rest for the nose? (8)
27 Do a deed when in charge? (8)
28, 30 Shelley's skylark staged by Coward (6, 6)
29 I know less about—a picture (8)
30 See 28 across

DOWN

1 Quelle différence, partly suppressed (7)
2 Wild flower for tea in glen (9)
3 Hut in headland in reverse (6)
6 Locks with extensions? (4,4)
7 To sleep in it is unsuitable (5)
8 Doctor's 27 across to enlarge? (7)
11 I come in to fasten metal, being ready to fight? (7)
14 Books balance on small railway (7)
17 18th century Prime Minister, a great performer, produced Polaris (5, 4)
18 Lancashire town gets at lady's great weight. (8)
19 Fifty places for the surgeon's knife (7)
21 Tense, caused by 27 across? (7)
22 Order to join the army or to bowl, possibly (4, 2)
24, 26 Negro experts, with best of two suits? (5, 4)

Solution to Puzzle No. 5,159



SOLUTION AND WINNERS OF PUZZLE No. 5154

Mrs M. N. Sinclair, 1 Somerset Avenue, Hamilton, Scotland.

Mrs V. Nicholson, 12 Westway, Fulwood, Preston, Lancs.

Mr L. G. Davenport, Jessamine

† Indicates programmes in black and white

BBC 1

6.25 am Open University. †8.55 Leon Erroll in "Uninvited Blonde." 9.15 Get Set. †11.05 Saturday Morning Film: "Keep Fit," starring George Formby. 12.27 pm Weather.
12.30 Grandstand, including 1.00 News Summary; Football Focus (12.35); World Snooker (1.05, 1.40, 2.40, 4.30) Embassy World Professional Championship; Racing from Haydock (1.25, 1.55, 2.20); Show Jumping The Kerrygold International (2.10, 2.40); Ice Hockey, World Ice Hockey Championships (2.40); 3.45 Half-time soccer scores; Rugby League (3.55) Slalom Lager Premiership Trophy (first semi-final); 4.40 Final Score.
5.10 Mickey and Donald.
5.30 News.
5.40 Regional Variations.
5.45 The Dukes of Hazzard.
6.35 Pop Quiz.
7.05 Date with Danger: "North Sea Hijack" starring Roger Moore, James Mason and Anthony Perkins.
8.45 The Val Doonican Music Show.
9.30 News and Sport.
9.45 Dynasty.
10.35 Wogan (highlights from his recent series).
11.25 Saturday Late Film: "Shaft," starring Richard Roundtree.

REGIONAL VARIATIONS:
Wales—3.40 pm Second half of Schweppes Cup Final—Pontypool v Swansea. 5.40-5.45 Sports News Wales.
Scotland—5.40-5.45 pm Scoreboard.
Northern Ireland—5.00-5.10 pm Northern Ireland Results (opt-out from Grandstand). 5.40-5.45 Northern Ireland News. 1.00 am Northern Ireland News Headlines.
England—5.40-5.45 pm—London and the South-East: Sport; South-West (Plymouth): Spotlight Sport; All other English regions: Sport/Regional News.

BBC 2

6.25 am Open University.
†3.10 pm Saturday Cinema: "Halfway House."
4.40 Grand Slam.
5.05 World Snooker.
6.15 States of Mind.
7.05 News and Sport.
7.20 Rugby Special—The John Player Cup Final: Bristol v Leicester.
8.20 Johannes Brahms (1833-1897) — A Musical Journey.
9.10 World Snooker.
9.45 The File on Jill Hatch.
10.40 Roger Doesn't Live Here Any More by John Fortune, part 4.
11.10 News On 2.
11.15-12.30 am World Snooker.

LONDON

6.00-9.15 am TV-am Breakfast Programme. 9.30 Sesame Street.
10.30 The Saturday Show.
12.15 pm World of Sport: 12.20 Modern Rhythmic Gymnastics—The World Cup from Belgrade, Yugoslavia; 12.40 On the Ball; 1.05 Darts—News of the World Championship from Wembley; 1.15 News; 1.20 The ITV Six from Newmarket and Kempton (introduced by Brough Scott and Derek Thompson); 3.10 Darts—News of the World Championship; 3.45 Half-time Soccers News and Reports: 4.00 Wrestling; 4.45 Results.
5.05 News.
5.15 The Smurfs.
5.30 Metal Mickey.
6.00 The Fall Guy.
7.00 Russ Abbot's Madhouse.
7.35 3-2-1.
8.35 T. J. Hooker.
9.30 Tales of the Unexpected.
10.00 News and Sport.
10.15 The Big Match.
11.15 pm London News Headlines, followed by Darts.
11.45 Leeds Folk Festival.
12.15 am Close with Barbara Leigh-Hunt.

CHANNEL 4

2.30 pm Power Play.
†2.55 Milestone of the Movies: "Love Me Tonight" starring Maurice Chevalier, Jeanette MacDonald and Myrna Loy.
4.35 Password.
5.05 Brookside.
6.00 Square Pegs.
6.30 News Headlines and Weather followed by 7 Days.
7.00 A Week in Politics.
7.45 Swindle.
8.45 World of Animation.
9.00 Malu—A Woman Now (Malu Mulher).
10.00 Bouquet of Barbed Wire.
11.00 The Late Clive James.
†11.45 Naked City.

S4C (WALES)
2.10 pm Staging an Opera. 2.35 Predicaments. 3.15 What a Picture. 3.40 As Good as New. 4.05 Dancin' Men. 5.00 Yr Awr Fawr. 6.00 Switch. 7.00 Twyllo'r Teulu. 7.30 Newyddion. 7.45 Antur! 8.15 Cerd o'r Cayrydd. 8.45 Capstick Capers. 9.15 Y Maes Chwarae. 10.45 U.S. Independent Movies: "Fat Angels."

REGIONS

All IBA Regions as London except at the following times:—

ANGLIA
8.35 am God's Story. 9.50 European Folk Tales. 10.05 Metal Mickey. 5.15 pm "Mosquito Squadron," starring David McCallum. 10.15 Match of the Week. 11.15 Studio. 12.15 am At The End of the Day.

BORDER
9.40 am The Adventures of Gulliver. 10.05 Metal Mickey. 5.15 pm Film: "Skyjacked," starring Charlton Heston and Yvette Mimieux. 10.20 Match Time. 11.20 Lou Grant.

CENTRAL
9.35 am God's Story. 9.50 Larry the Lamb in Toytown. 10.05 Vicky the Viking. 5.15 pm Saturday Cinema: "Mosquito Squadron," starring David McCallum. 10.15 Star Soccer, hosted by Gary Newbon. 11.15 Journey to the Unknown.

CHANNEL
5.15 pm Puffin's Pla(i)ce. 5.20 Cartoontime. 6.30 Happy Days. 8.00 Falcon Crest. 11.15 ELO Live in Concert.

GRAMPIAN
9.35 am God's Story. 5.15 pm Feature Film: "Skyjacked," starring Charlton Heston, Yvette Mimieux and James Brolin. 10.15 Scotsport. 11.15 Reflections. 11.20 The Gangster Chronicles.

GRANADA
8.35 am God's Story. 9.50 Cartoon Time. 10.05 Vicky the Viking. 5.15 pm "Skyjacked," starring Charlton Heston and Yvette Mimieux. 10.20 Match Time: the north-west's very own football programme. 11.20 The Late Film: "Blind Terror," starring Mia Farrow. 12.55 am Dave Edmunds in Concert.

HTV
9.40 The Flintstones. 10.05 Star Fleet. 12.13 pm HTV News. 5.13 HTV News. 5.15 "Mosquito Squadron." 11.16 The Gangster Chronicles.

SCOTTISH
8.35 am Wattoo Wattoo. 9.40 The Smurfs. 10.05 Metal Mickey. 5.15 pm Feature Film: "Skyjacked," starring Charlton Heston, Jeanne Crain, Walter Pidgeon and Yvette Mimieux. 10.15 Scotsport: football highlights from north and south of the border, and a round-up of other sports. 11.15 Late Call. 11.20 House Calls. 11.50 The Two of Us.

TSW
9.25 am Look and See. 9.30 The Saturday Show. 10.28 Gus Honeybun's Magic Birthdays. 10.30 Star Fleet. 10.50 The Fugitive. 11.40 WKRP in Cincinnati. 12.12 pm TSW Regional News. 5.15 Newsport. 5.20 Cartoontime. 6.30 Happy Days. 8.00 Falcon Crest. 11.15 ELO Live in Concert. 12.15 am Postscript.

TVS
9.35 am The Smurfs. 10.05 Metal Mickey. 12.12 pm TVS Weather. 5.15 Saturday News and Sport (TVS Production). 5.20 Cartoon. 5.30 Knight Rider. 6.30 Rising Damp. 10.15 The Saturday Match—regional and national football action introduced by Fred Dinenage. 11.15 Studio. 12.15 am Company.

TYNE TEES
9.25 am Morning Glory. 9.30 The Fantastic Four. 10.00 "TT" Time. 10.05 Metal Mickey. 12.13 pm North East News. 5.10 North East News. 5.15 "Mosquito Squadron." 10.20 Shoot! 11.20 Thriller. 12.40 am Post's Corner.

ULSTER
10.05 am Metal Mickey. 1.18 pm Lunchtime News. 5.00 Sports Results. 5.13 Ulster News. 5.15 Feature Film: "Mosquito Squadron," starring David McCallum. 10.14 Ulster Weather. 11.16 Lou Grant. 12.50 am News at Bedtime.

YORKSHIRE
9.30 am Melotoons. 9.40 Tarzan. 5.15 pm "Skyjacked," starring Charlton Heston and Yvette Mimieux. 10.20 Match Time with Elton Welsby and Denis Law. 11.20 In Concert: Nana Mouskouri.

RADIO 1
(S) Stereo (when broadcast on VHF)
8.00 am Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 1.00 pm Guitar Greats: Hank B. Marvin (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.30 Saturday Live (S). 6.30 In Concert (S). 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2
8.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 pm The News Huddlines with Roy Hudd. 1.30 Sport on 2: Racing Cricket Day, one of the County Championship; Rugby Union: John Player Cup Final at Twickenham (Bristol v Leicester); Schweppes Welsh Cup Final at the National Ground (Swansea v Pontypool); Snooker: Embassy World Championship. 5.00 Sports Report. 5.50 Pools Check. 6.00 Country Greats in Concert. 7.00 Jazz Score. 7.28 Cricket Desk. 7.30 Big Band Special (S). 8.00 Evelyn Laye presents The World of Noel Coward (S). 10.00 1982 Nordring Festival (S). 11.02 Sports Desk. 11.10 Pete Murray's Late Show (S). 12.05 am Sports Desk. 2.00-5.00 Liz Allen presents You and the Night and the Music (S).

RADIO 3
8.00 am News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.10 BBC Welsh Symphony Orchestra concert, part 1 (S). 11.55 Interval Reading. 12.00 Concert, part 2. 1.00 pm News. 1.05 Britten and Haydn (S). 2.00 The Music of Spain (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 The Iberian Organ (S). 7.16 "Orontea" opera in three acts by Pietro Antonio Cesti (sung in Italian). Act 1 (S). 8.25 Jeremy Irons as Syng at Large. 8.45 "Orontea," Act 2 (S). 9.45 Belle (Poetry readings). 10.05 "Orontea," Act 3 (S). 11.15-11.18 News.

RADIO 4
7.00 am News. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's a Bargain. 7.55 Weather, travel, programme news. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.48 Yesterday in Parliament. 8.57 Weather, travel. 9.00 News. 9.05 Breakaway. 9.50 Bandstand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 I Sorry, I Haven't a Clue (S). 12.55 Weather, programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Thirty-minute Theatre. 2.35 But Chancellor. 3.05 Wildlife. 3.30 Groundswell. 4.00 News. 4.02 International Assignment. 4.30 Does he take Sugar? 5.00 So You Want to be a Writer. 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather, travel, programme news. 6.00 News and Sports Round-up. 6.25 Desert Island Discs (S). 7.20 Stop the Week with Robert Robinson (S). 8.00 Richard Baker with records (S). 8.30 Saturday-Night Theatre (S). 9.58 Weather. 10.00 News. 10.15 The Seaside in Spring. 11.00 Lighten our Darkness. 11.19 Stop the Week with Robert Robinson (S). 12.00 News.

BBC RADIO LONDON
7.32 am Good Fishing. 8.04 London Today. 8.33 The Magic Carpet Company. 9.03 Openings. 9.30 Corridors of Power. 10.02 All That Jazz. 11.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.30 Evening Star. 6.30 Radio Replies. 7.00 Book Now. 7.30 As Radio 1. 12.00-5.00 am Join Radio 2.

LONDON BROADCASTING
7.00 am AM with Magnus Carter and Jenny Lacey. 10.00 Jellybone with Clive Bull. 12.00 LBC Reports with Des Fahy. 1.00 pm Sportswatch with Dominic Allan. 6.00 LBC Reports with Des Fahy. 7.00 Geet Mala. 8.00 Network. 9.07 Hayes on Saturday. 10.00 Nightline with Phillip Hodson. 1.00 am Night Extra. 4.00 Travel '83. 4.30 Decision Makers. 5.00 Morning Music.

CAPITAL RADIO
7.00 am The Dave Cash Show. 10.00 Pick of the Pops Take Two with Alan Freeman. 12.00 Mike Allen's Music Centre. 2.00 pm Duncan Johnson's Afternoon Delight. 5.00 Gary Crowley's Magic Box. 7.00 Al Matthews' Soul Spectrum. 9.00 Roots Rockers with David Rodigan. 11.00 View from the Top with Roger Scott. 12.00 Midnight Special — Phil Allen.

CHESS SOLUTIONS

Solution to Position No. 472

1 RxP ch! KxR(BxR; 2 Q-K6 mate); 2 Q-N4! Q-B4 ch; 3 K-R1, K-K2; 4 B-N5 ch. Resigns. If B-B3; 5 R-K1 ch, K-Q1; 6 BxB ch, K-B2; 7 BxR, RxB; 8 R-K7 ch, K-N1; 9 Q-Q7 with unavoidable mate.

Solution to Problem No. 472

1 N-B3, P-B8=Q; 2 Q-B2, or if P-B8=N; 2 N-N1, or if N ...

THEATRES

COLLECTING

SPORT

The Nile style

BY JUNE FIELD

"SCARCELY a breath of wind. Crocodiles lie sunning themselves on the banks. . . . Will this desert ever again become the busy haunt of men?" recorded artist David Roberts as he contemplated the beauties of the Nile at Edfu, 30 years before the opening of the Suez Canal.

"Egyptianism" in art, architecture and design, incorporating pyramid and sphinx, mausoleum and mummy-case, ibis and obelisk, was in full swing in the Victorian era, spreading over buildings, furniture, paintings, jewellery and ornaments.

With Chinese and Japanese influence and decoration strongly documented over the years, and Greek and Gothic revivals well to the fore, by contrast Egypt and its exotica have been somewhat neglected. Admittedly the exhibition of superb objects from the tomb of the teenage Pharaoh Tutankhamun (originally discovered in 1922), which came to London and New York in the early 1970s, drew attention to ancient masterpieces; but the influence on decorative art in Britain after Nelson's victory over the French fleet at the 1798 Battle of the Nile, has had less prominence.

This lack of concerted documentation was remedied by the publication towards the end of last year of James Stevens Curl's illustrious *The Egyptian Revival—an introductory study of a recurring theme in the history of taste* (George Allen and Unwin, £30). And next Saturday an exhibition "The Inspiration of Egypt—Its Influence on British Artists, Travellers and Designers 1700-1900," opens at the Royal Pavilion, Art Gallery and Museums, Brighton, until July 17.

Dr Curl's scholarly book is the result of 20 years' research, and he has traced a remarkable amount of genuine Egyptian motifs, as well as what he calls "Egyptianising" through the ages, from ancient civilisations up to the 19th and 20th centuries. For instance artist Sir Laurence Alma-Tadema (1836-1912) had correct Egyptian furniture made for his studio; Christopher Dresser (1834-1904), incorporated Egyptian detail into his designs for sofas and stools; and the extraordinary bizarre pieces of Italian Carlo Bugatti (1856-1940), were "a strange and exotic amalgam of Egyptianising and other elements."

The rich Regency extravaganza that is Brighton's Royal Pavilion provides a fitting background for Egyptian-inspired pieces, even if most of the items were not there originally. (Although Attree's *Topography of Brighton, 1809*, refers to an "Egyptian Gallery . . . the walls of which are covered with a historical paper," in what is now the North Drawing Room.)

In the excellent exhibition catalogue (£3.50 plus 50p postage), Patrick Connor, Keeper of Art at Brighton Museum and chief co-ordinator of "The Inspiration of Egypt," draws attention to the powerful fascination that Egypt has held for the British: "One is the role of Egypt in the Bible and in the development of Christianity; the other (sometimes merging with the first) is the classical tradition—for the civilisations of Greece and Rome were widely believed to have had their origins in ancient Egypt."

Mr Connor also reminds us that as travellers to Egypt became more numerous, so European collections of antiquities flourished. Acquired by wealthy collectors were such things as scarabs, stelae (temple or tomb slabs of stone or wood), canopic jars (containers which preserved the internal organs of a dead person), sistrum (form of rattle used as a sacred symbol in ancient art and architecture), and shabtis, mummy-style figurines placed in a tomb to act on behalf of the dead person in the afterworld.

Exhibits will include watercolours by Owen Jones (1809-1874) an architect who made an extended foreign tour in 1832 which took him to Egypt, and an evocative one by Carl Haag (1820-1915), "Our Studio in Cairo," featuring the studio he shared with Frederick Goodall, who joined him in the Coptic quarter. The painting has been lent by Brian MacDermot's Mathaf Gallery, 24 Motcomb Street, London, SW1, opened in 1975 to specialise in paintings of the Arab world. (The gallery, together with Shell International Petroleum and Johnson Wax, are sponsoring the Brighton exhibition.)

Looking through the catalogue of Carl Haag and his Contemporaries, an exhibition put on by the Mathaf last summer, one realises the wealth of richly coloured works produced by 19th century Orientalists. There was Giuseppe Aurelli's The Harem, Gulio Rosati's In the Souk, Charles Robertson's A Carpet Sale, Cairo, and striking scenes of markets, mosques and Mecca pilgrims.

The Mathaf bold exhibitions regularly in London and Arab countries. Brian MacDermot choosing works as much for their accuracy as their artistic merit. "Too many 19th century European artists tended to romanticise when painting the Middle East. Exactness of detail, strength of colour, luscious body tones and lavish composition are what appeal to today's collectors."

He claims that from an investment point of view, clients, especially those who started collecting four or five years ago, have done extremely well, with the best paintings probably up ten times in value. But those starting out now, be says, can still buy watercolours of the desert from £200 to £3,000. Names to look for are Augustus Osborne Lamplough, Robert Talbot Kelly, and Walter Tyndale. The latter's Fruit Stall in Bulak, Cairo, currently in the gallery, is a delight. Much bigger money is John Frederick Lewis' superb Arab Warrior, while modestly priced are the David Roberts coloured lithographs from £80.

Detail of earthenware plaque c1885, to be shown in "The Inspiration of Egypt" exhibition, which opens on Saturday, May 7, until July 17 at the Royal Pavilion, Art Gallery and Museums, Brighton, Sussex

A pound is not quite a pound

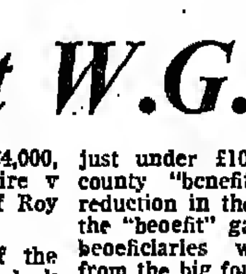
COINS

JAMES MACKAY

BY NOW there is no excuse for anyone in the UK not being fully conversant with the "round pound." Initial public reaction has, predictably, been fairly negative, ranging from the unkind to the downright hostile, but such comments as "a joke" or "just like chocolate money" are unjustified and fail to take note of the many years of painstaking research and tests which have gone into the evolution of this handsome coin. I have been assured by my numismatic acquaintances that there is a feeling of *déjà vu* in these surprisingly heavy little coins nestling comfortably in their pockets. Admittedly the new pound is worth an eightieth of its 1914 counterpart in real terms and only 30p in terms of the 1971 pound note, and inevitably agitation for two-pound or even five-pound coins grows space.

Soon we are to have the benefit of "regional" pounds, with coins featuring the heraldry of Scotland, Wales and Northern Ireland over the next three years. Meanwhile the three Scottish banks have announced their intention to carry on issuing pound notes in distinctive designs for the foreseeable future, joining the Channel Islands and the Isle of Man in this respect. The latter still has 50p notes and plans new-style pound notes in a more durable plastic material than the traditional rag paper. Guernsey already had a heavyweight sovereign-sized pound coin ahead of Britain but Jersey, which flirted with a diamond-shaped pound, has now come into line with a coin whose specifications are the same as the mainland's.

The obverse bears the Machin profile of the Queen with the customary legend, but the reverse depicts the arms of the parish of St Helier. Taking a leaf from the Manx book, Jersey is to feature the arms of all 12 parishes on the pound at regular intervals. An interesting feature of the Jersey pound is its security edge marking which bears the incuse Latin inscription "Caesarea Insula" the Roman name for the island which, incidentally, in the form of Nova Caesarea, appeared on the coinage of New Jersey in colonial times. Jersey has also taken the opportunity to change the designs of all the other denominations. The reverses featuring historic buildings to the bailiwick. These coins have been struck at the Royal Mint and doubtless year sets will become available once the present backlog, caused by industrial action, is overcome. Those who have recently ordered the British 1983 year sets are asked to be patient a little longer.



Henry VII sovereign

Amid all the publicity for the new pound, which has spilled over into rival collectables in the form of souvenir postcards, covers, postmarks and even a limited-edition bone china thimble, the world "unprecedented" has been applied with reckless abandon. What is essentially an admission of defeat in the face of relentless inflation is now being hailed somehow as a victory and yet another "first" for British numismatics, blithely ignoring the fact that other parts of the British Isles have had base-metal pounds since 1978 and that the new coin is worth only about half that of the 50p when it made its debut in 1969. Besides, France has had a nickel-brass 10 franc coin since 1974 and West Germany a copper-nickel DM 5 piece since 1975, so it cannot be claimed that a base-metal high-value coin is a British invention.

An interesting link with the past is provided by Spink's next sale on June 2 when the collection of English hammered gold coins formed by Duncan Beresford-Jones will be offered. One of the highlights is a sovereign of Henry VII minted in 1489, the very first type of gold pound ever issued in England. This coin, tariffed at 20 shillings, was a magnificent piece by any standards and well deserved its majestic name. The King decreed that only two sovereigns were to be produced from each pound of gold, and thus this handsome large coin originally weighed 240 grains. In 1817, when the sovereign was revived in place of the guinea as part of the package of currency reforms, its weight was reduced to 123.274 grains—a reflection of the escalation in the price of gold during the 18th century rather than an indication of the fairly modest inflation rate over the intervening three centuries. Furthermore, the original sovereign was minted in almost pure gold, 23.75 carats fine, compared with the 22 carats fineness regarded as sterling quality since Elizabethan times.

The sovereign had as its obverse motif a large figure of the king seated on his throne, crowned and holding sceptre and orb. The reverse featured the royal arms superimposed on a large Tudor rose. Five types of sovereign have been classified from the last 20 years of Henry's reign, but although Mint records indicate that as many as 50,000 may have been issued very few have survived. Only four examples of the first type are known to exist and the last time one came on the market was in June 1956 when the coin in the present sale was purchased by Spink's on behalf of Mr Beresford-Jones for £1,400. Pre-sale estimate for this coin next month is set con-

THEATRES

ART GALLERIES

EXHIBITIONS

LEGAL NOTICES

CLUBS

Anne Swain looks in on the World Snooker Championship

What the TV cameras didn't see

THE ARC lights will dim finally on Monday at the Embassy World Snooker Championship and that little patch of green which has paralysed so many millions of households for so many days will fade out of our lives for another year. There will be no more revelations about naughty Alex's escapades, Steve's ice cool or Ray's wholesome geniality. If we feel the loss, spare a thought for Sheffield whose finest hour this is. For the last two weeks the city has lived and breathed nothing but snooker literally day and night from early Monday morning sessions—agony for the players whose body clocks are geared to the night — to early dawn with the spectators stumbling home, ecstatic after yet another epic battle.

The people of Sheffield take all this in their stride. The players are their boys, every foible and whim to be pandered to whether it be for lager or Liebfraumilch, their shirts to be ironed how they like them, their roistering and outbursts of temperament treated with indulgence. Who can blame them—anything must be better than cutlery reps.

Certainly the girls hanging round outside the stage door waiting for a glimpse of their idols and the bodyguards and blondes banging round inside all serve to emphasise the film star lives the few top snooker players lead. Sheffield revels in the glamour. "I've given up interviews to the press" said one 14-year-old groupie loftily. "I've been misquoted twice this week already."

Television maintains a massive presence. The BBC vans and cables possessively flanking the small theatre, as if reminding you exactly who created this whole jamboree. Their pride is justifiable. When Alex Higgins won in 1972 at the British Legion his takings were just £480, now it is £30,000 for the winner and the event will have been watched by well over 300m people.

The players themselves are a curious lot. An elitist white-faced brotherhood cut off from the outside world by the strange and long hours they keep. A very natty lot too with sharp duds and sleek hairdos not above a slick of brilliantine. "He's so immaculate," said a Kirk Stevens fan trying to explain her devotion.

When they are not playing each other—in ten years the top few names have hardly changed —they are closeted together watching snooker on TV. All this adds a gladiatorial dimension to their game, a "we who are about to die salute thee" feeling which makes them sorry (sometimes) that there has to be a loser in their combats.

The arena-shaped setting for these encounters is the Crucible Theatre, lit like a film set with silent TV cameras following not only the players' every shot but their every drag on a cigarette and every pick of the nose too. The audience plays a vital part in the ritual, the players needing their support and involvement.

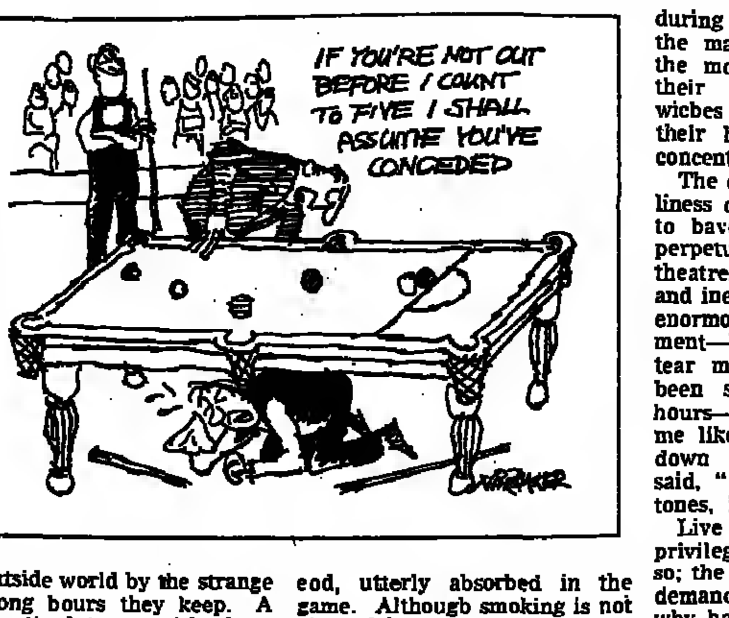
There are rows of elderly gents, bald heads shiny as snooker balls, middle-aged couples with flasks of tea, tubby young men clutching pints and young lads rushing forward at every opportunity for autographs. Nearly 50 per cent of the audience are women.

All are united in their passion for snooker, sitting rapt and totally silent for hours on end, utterly absorbed in the game. Although smoking is not allowed (players excepted) the atmosphere is thick with tension and beer fumes. So quiet is it that on the hour you can hear the tiny tweetings of a hundred digital watches.

Occasional appreciative clapping and expressive sharp intakes of breath are the only exceptions to the rule of silence. At a key moment during the Charlton/Spencer match someone kicked a beer glass. There was a gasp of horror. Spencer potted the ball successfully, turned to the offender and said "you're all reet, chuck," to the inexpressible relief of the audience.

Over all this hovers the referee, the unsung hero of the hour. His Brylcreemed DA haircut and rather nasty maroon blazer give him a curiously dated look. But he prowls like a zealous schoolmaster controlling the play, his white-gloved hands caressing and polishing the balls as delicately as if they were eggs and reproving any impetuous outburst from the audience with an expressive wag of the finger.

A "Come on John" wrung out of an over-excited spectator is treated to a very hard stare indeed and a giggling woman is admonished with a "Thank you gentlemen, *please*" which soon put her in *her* place. Even during an occasional pause the matches the audience the most part stay quietly their seats munching sa wiches and crisps waiting their heroes to return. Th concentration is awesome.



The charm lies in the leisu liness of it all, for time cea to have any meaning in perpetual darkness of theatre. The frames build slo and inexorably into a climax enormous tension and exc ment—I found it impossible tear myself away. And I I been sitting there for th hours—not even Wagner gr me like that. As one norm down to earth Yorkshirem said. "It's the seething unc tones, isn't it?"

Live snooker is only for privileged few and will rem so; the very nature of the ga demands an intimate setting. why has it captured the ima nation of so many millions v are unlikely to move av from the small screen? T pundits draw parallels with other great indoor activity. T fact that you don't have to young to be good at it. t practice improves your p formance as does just the ri amount of alcohol and that it so popular with women ba up the theory. Another is tha is a reaction against the fitne obsessed, psyched up aggress of other sports.

Certainly, it is most reass ing that people less fit than o self can be world beaters. T baggard baggy-eyed, 20 go on 90 look of most snool players makes a change fr the cult of youth everyone e atrives for.

The people of Sheffield ar at this fancy talk. So far the suppers and butty munchi have kept the trendies at b. Anyway, when the razzamata is over the visitors soon hast away soggy with Yorksb pudding and clutching pin posters of their idols co chalking their cues. Sheffield left to return to normal.

There will be only one winn on Monday but the other lads the snooker circuit and Sheffie itself will have done all reet you can bet on it chuck.

The cricketer's 'benefit' and inflation. **Trevor Bailey** reports.

Who could beat W.G.'s £8,835?

"BENEFIT" cricket rewards for county players have a long and complex history. W. G. Grace, who was the first and unquestionably the greatest "shamateur" cricketer—he employed a locum to look after his doctor's practice when he took the field—managed to acquire no fewer than three "testimonial" handouts by 1905 which brought him £8,835, a very substantial sum at the time. Today this sum would be worth about £284,000.

Nobody has done better since, which shows what a cunning old cricketer he was.

A benefit match is not included in a player's contract and is not taxed, which is the result of the case between the Inland Revenue and James Seymour who had a benefit in 1920. Judgment in favour of the cricketer was eventually obtained in the House of Lords in 1927.

Originally the county cricket committee allocated the proceeds, after expenses, from a specific three-day county match. This was chosen by the beneficiary and, in the case of a county like Yorkshire or Surrey, provided the bulk of his benefit money. Gates for county matches before the 1914-18 war, in the '20s and '30s, and for a short period after the last war, were often very large and produced considerable revenue as the following figures show.

The Roses match at Leeds in 1904 which was played for George Hirst produced £3,703 and Walter Lees, benefit game at the Oval in 1906 £2,300, while the largest of all before the last war was over £4,000, mainly from the Yorkshire v Middlesex game in aid of Roy Kilner in 1925.

The unfair features of the benefits system were that luck with the weather and the duration of the match were vital factors, while the amount collected could depend more on the county than the "value of the player." This was underlined by Fred Root who demanded and got £500 from Worcestershire, when they granted him a benefit in 1931. He had in mind how another bowler from his country, Fred Burrows, had declined a second testimonial on the grounds that he could not afford it. A beneficiary would have had to meet the cost of lunches for both teams, the wages of the gatemen, any travelling expenses for the home players and any other extras. Wally Hammond received £2,500 in 1934.

The resumption of first class cricket in 1946 in a country starved of sport during the war brought big crowds and bumper "benefits" which quickly broke all pre-war records. Bill Bowes received over £8,000 in 1947, Dick Pollard £8,000 in 1949, Denis Compton £12,200 in 1949 and Len Hutton £9,700 in 1950, but the largest was Cyril Washbrook's which cleared £14,000.

As gates for county cricket started to decline in the 1950s and 1960s the value of the "benefit" match to beneficiaries also dropped significantly and they had to find other forms of fund raising. Nevertheless, in the 60s John Edrich obtained just over £10,000 and Jim Parks just under £10,000 without a county "benefit" match. The reduction in the importance of the "benefit" game meant that beneficiaries who were not from the big four — Yorkshire, Lancashire, Surrey and Middlesex — began to obtain comparable benefits financed in other ways. For example, the "benefit" of Warwickshire's David Brown was worth over £29,000 in 1973, Kent's Brian Luckhurst £18,000 in 1973, Colin Milburn's £19,500 in 1971 and Glamorgan's Tony Lewis £16,000 in 1973.

The advent of massive, well-marketed "benefits" really began in the late 1970s and 1980s. Keith Fletcher's two experiences are especially revealing, but the most surprising benefit was that of Jack Simmonds which raised a staggering £128,000 in 1980.

The way benefits have been organised, administered and run has varied from county to county.

To illustrate how these have grown and changed since the war, I have selected my own county, Essex, which for beneficiaries is about in the middle of the league: 1948, Tom Wade £3,879; 1953, Frank Vigar £3,500; 1959, Ken Preston £3,700; 1973, Keith Fletcher £13,000; 1980, John Lever £42,000; 1982 Keith Fletcher £83,250.

What is intriguing about the development of "benefits" since the war is not so much the extent to which they have escalated but how the methods of raising the money have changed. The revenue for an Essex "benefit" in 1948 came from the following source together with the approxima percentages:

● One-day matches provid 40 per cent. These were play against club sides and h crowds came for the Sund matches, not feasible now h cause of the John Player leagu

● The benefit match, 30 p cent.

● Collections at county hoo games 15 per cent.

● Donations mainly fro members and paid at the san time as the annual subscriptio

● Bat raffles, dances, whi drives, etc, 7 per cent.

In the 1980s all donations fo an Essex player were paid to th Essex County Cricketers' Ass ciation. It is then normall presented to the players at th end of the year. There are nin principal sources of revenu and donations which came fro the following:—The 300 Club. per cent; Ground collections, per cent; Brochures, 3 per cen Dinners and social events, 6 p cent; Celebrity golf matches, per cent; Members' donation. 13 per cent; Raffles 17 per cen and Special matches with club 23 per cent. Although crowd are much smaller the individua clubs raise the extra mone from other sources.

Finally there is Developmeo Ltd which sells from "pontoo tickets" to bar customers. Thi raises 24 per cent.

I wish this summer's 15 bene ficiaries success and for thos who may think that benefit have grown too large, remembe inflation and that the house beneficiary might have bough for £3,500 in 1948 will now b costing around £80,000.

James French on the significance of the new world championships

A rival to Olympic athletics

TWO SWALLOWS do not make a summer, but the success of Sebastian Coe's and Steve Ovett's pre-season outings—with Coe gaining new records on the boards and Ovett shining in cross-country—augurs well for what looks like being an exciting track and field season for Britain. Also Mike Gratton has already set a cracking pace by leading 16,500 finishers home in the London Marathon, and further successes are inevitable.

We may be seeing the beginning of a turn of the tide. For years the Olympic Games have been dogged by problems, generally with a political flavour . . . massacre in Munich, repression in Mexico, the partial, but unsuccessful, boycott of Moscow (with Britain's competitors being given the naughty children treatment). There are now deep misgivings about policy decisions taken by the organisers of next year's Olympics in Los Angeles, where the city spurned the "honour" first time, organisation is in the hands of a commercial consortium, who have broken new ground by seeking business backing from such companies as Coca-Cola.

But this year international athletics is pinning its hopes on what will undoubtedly be the crescendo of the season, the new World Championships in Helsinki (August 8-14), which the administrators hope will eventually eclipse the nationalism-ridden Olympics. So it is crucial that Helsinki 1983 gets everything right. Athletics is giving itself a great chance to exorcise the persistent, tiresome politics and other issues that plague the Olympic movement.

This year athletics will be giving its first full trial to its serious attempt to compromise the sport of shamateurism. Countries are allowed a limited number of "permit meetings" at which appearance money can be paid for athletes, with national associations taking a percentage, but holding monies in trust for

In Britain there has been a tug-of-war between the superstars, with which we are well endowed, and the national associations. The stars want to arrange their programmes to their own benefit and satisfaction, and the authorities expecting them to put the national interest first.

"We have worked very hard to arrange things better this season, and we hope we have got it right," said Amateur Athletic Association general secretary Mike Farrell. "We have approached all our main stars and asked them where they want to run, and we believe we have reached a good understanding with them. One of our troubles is that there are not enough Saturdays domestically."

Major home fixtures in the build-up to Helsinki are June 5, Britain v. the Soviet Union at the Alexandra Stadium, Birmingham. June 26, The Edinburgh Games. July 1, England v. Poland v. Austria v. Belgium, Birmingham. July 15, The Talbot International Games, Crystal Palace. July 23-24, The Robinson championships, Crystal Palace. July 31, the Rank Xerox Gateshead International meeting.

After Helsinki, the European Cup will be staged at Crystal Palace on August 20-21, and there is an England - Scotland - Hungary - Norway match on August 29 at Crystal Palace, which will also stage the Coca-Cola meeting on September 9 —the third British permit meeting — the others being the Talbot and Edinburgh events.

Farrell reports that the sponsorship situation is healthy. "We quite understand that there is a limit to the number of years a business can sponsor a sporting event. There comes a time when a change is desirable. But, fortunately, when one big name decides to pull out, there is usually a new one ready to come in."

Farrell has a hot tip to John Coe, Ovett, Alan Wells, Dave Moorcroft and Daley Thompson in Britain's squad of superstars—Phil Brown, a 21-year-old black boy from Birmingham. Farrell rates Brown a ...

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Equities and sound money

WHEN THE prospect of good figures from Imperial Chemical Industries sends the British equity market to new peaks, as it did this week, it is tempting to think that there cannot be so much wrong with the British capital markets and that all will be well with the real economy in due course.

Certainly the economic picture looks better than it has for a long time. Quite apart from the excellent first quarter figures from ICI, the latest industrial trends survey from the Confederation of British Industry (whose forecasting record commands respect) portrays a sharp upturn in business confidence. Sterling has admittedly risen fast since these soundings were taken, which cannot improve export prospects. There is solid reassurance in the news that a larger proportion of companies has reported a rise in output than at any time since July 1979, the peak of the previous economic cycle.

Old fashioned

All this provides the background for a very old-fashioned kind of equity boom, in which the honest virtues of the manufacturing sector shine through. The froth on top of the market is no longer in the financial and property sectors, but in high technology and other stocks quoted on the Unlisted Securities Market.

Nor is it just in Britain that conventional stocks with a venerable pedigree have been performing well. The boom in share prices in West Germany reflects optimism about the prospective earnings of cyclical and capital-intensive enterprise. So, too, on Wall Street, where the Dow Jones Industrial Average—that embodiment of all that is worthy in American manufacturing—also hit a new record this week. Not only have the likes of IBM found their way back into favour with investors, but the motor industry, chemicals and even banks have been giving investors a run for their money.

The odd man out in this respect is Japan, which has reached new stock market peaks by a different route. Investors appear lately to have been as much interested in assets as earnings and some of the leading electronics companies have performed less spectacularly than in the past.

In an increasingly protectionist world it is certainly logical that shares in declining industries in the U.S. and Western Europe should make up some ground against those in growth sectors in Japan. Inevitably investors in Japan have much less recovery to look forward to since their market is the only one to have shown much growth over the past decade in inflation-adjusted terms: even at these "record" levels London, Frankfurt and Wall Street have failed dismally to maintain or increase the real value of the capital of many long-term investors.

Yet there are growing signs that capital markets in Britain and the United States are not just looking forward to the economic upturn, but reflecting an important shift in portfolio preferences.

In the 1970s the dominant influences on the shape of institutional portfolios in Britain were the growth in the size of the government's budget deficit and the change in the pattern of liabilities within the financial system, reflecting the growth of occupational pensions related to final pay. Against their natural inclination the biggest investors in the market, the pension funds, increased their holdings of fixed interest government stock over the period to yield high nominal rates of interest. Corporate debentures and loan stocks were run down, since industry could not afford to pay high nominal rates. Equity holdings increased modestly, while investment in commercial property, which provided the next best thing to a hedge against pay-related liabilities, came close to doubling as a percentage of the average pension fund portfolio between 1970 and 1980.

Under the present government the public sector borrowing requirement has declined as a percentage of gross national product and inflation is down to less than 5 per cent. Fixed interest stock is back in fashion and index-linked government bonds provide an alternative to property for those who wish to hedge against inflation. A key objective of funding policy is to leave room at the long end of the gilt-edged market for corporate debenture issues.

Property market

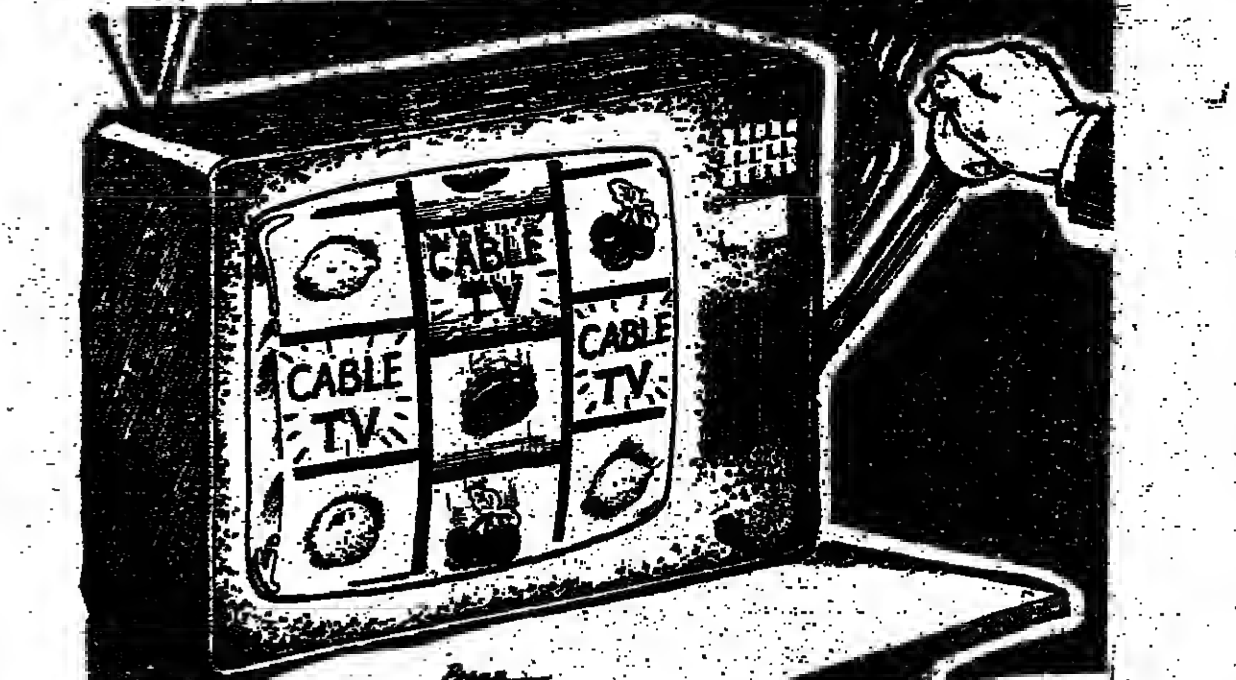
Equities, meantime, may well be one of the beneficiaries of declining enthusiasm for commercial property. Because of the long term nature of investment commitments in the property market, this is not fully reflected in official figures for pension fund investment. However, the last quarter of 1982 saw a sharp fall in the pension funds' net investment in property; and pension fund property unit trusts have been seeing net redemptions of units on an unfamiliar scale. Were it not for the enormous increase in pension fund investment in overseas stocks, which are now the biggest single outlet for the funds' new cash, the FT Industrial Ordinary Index might be very much higher.

Increased confidence in financial as opposed to tangible assets is more than welcome. The same is true of any increase in the monetary aggregates that reflects increased confidence in money as opposed to goods. The altogether conventional boom in equities suggests that the pain in the disinflationary process is beginning to wane.

AFTER THE WHITE PAPER

Cable TV: now it's time for the hard part

By Chris Dunkley



AT 9.00 pm any night of the week television viewers in London have four programmes to choose from. Viewers in New York can have 27 choices ranging from chat shows to baseball, from a play in Spanish aimed at the city's Hispanic community to a channel screening continued classified advertising.

The American choice is made possible by wideband cable: a system of delivering television signals down a wire rather like telephone calls.

As with telephone calls the system can be made to work in both directions and the viewers in some American cities can already "talk back" down their television cable in order to vote, buy goods, or pay bills. Unlike the old "off-air" broadcasting system which depended on scarce wavelengths, there is virtually no limit to the number of channels available via cable.

Wednesday's White Paper announced the British Government's plans for introducing cable to Britain. What the public presumably wants to know now is whether the plans will mean a gorgeous feast of new programmes, and if so what the menu on British cable will be.

The difficulty is that there is no single answer which will hold good for viewers in Glasgow and in Moreton-in-the-Marsh. Not only will rural viewers have to wait for cable much longer (perhaps for ever) than those in the towns and the suburbs, but even when cable services do arrive they will vary from one area to another.

It is true that some of the main ITV companies are interested not only in operating cable networks within their own region but in supplying programmes for possible national cable services.

It also true that the BBC, determined not to be overthrown by the communications revolution, will be looking to cable operators to act as middle men in earning money on a pay-per-view basis for the film service which the BBC intends to start running off a satellite in 1986.

The film service will be available by direct broadcast from the satellite (known as a Direct Broadcast System) to any viewer buying a special aerial and converter, but since the Government intends to require all cable operators to supply BBC-1, BBC-2, ITV, C4, and the five DBS services planned for the eighties before they add anything else to their minimum 25-channel package, viewers with a cable service will not need to buy DBS aerials and converters.

This compatibility of satellite and cable may in the end prove more important than the potential for competition

On a different note, the BBCs commercial plan for satellites and its growing reliance on co-production and international sales raised doubts about the sanctity of the licensing system and—according to the current musings of some Thatcherites—the question of whether the BBC is necessary at all, once the scarcity of broadcast wavelengths becomes an irrelevance in the age of abundance brought by satellite and cable.

But the BBC's instinct for survival and the virility of its competitive spirit should never be underestimated. It is no chance that the BBC beat ITV to the satellite and no chance that films will be their first offering when the bird flies.

So far as programme content is concerned on all the new technologies, films will loom largest because films are what viewers are willing to pay extra for. This is clear from the U.S. cable operation, and it is confirmed by the evidence provided by Britain's own videocassette users. What is far from clear is precisely what can be deduced from the success of VCRs in this country.

The proportion of homes with VCRs in Britain (19 per cent and rising) is considerably *higher than* in any other country in the world. This suggests that British viewers are ready to spend significant sums to achieve greater programme choice. But should we assume that they will therefore spend even more—upwards of £12 a month—to increase their choice further with cable? Could it be instead that by being first in the field in Britain, VCRs have established themselves as a major source of viewer choice just as cable by being first in the field in the U.S. has established primacy over VCRs? We cannot tell until the cable operators get going, but viewers' reactions to Britain's experimental cable systems have not been outstandingly encouraging.

Much play has been made in the popular press recently with the supposedly dramatic decline in television viewing figures. But the significance of this may well be the opposite of what it seems: far from indicating a dislike of the programmes on offer, much of that apparent decline can probably be attributed to the use of VCRs not for watching hired films but for "time-shifting"—recording television programmes to watch later. The British have taken to this with an enthusiasm quite unequalled in other countries where cassette hire is much more popular.

This surely suggests that far from losing interest in broadcast television the British are abnormally fond of it, and it is this above all which is going to offer the greatest challenge to cable operators: somehow they are going to have to find something which they can either do better than the BBC and ITV, or, ideally, something that the BBC and ITV do not do at all.

Thanks to the ridicule that politicians poured on the idea of an electronically lockable adult cable channel there will not now be any such service. "First people to break that lock would be schoolboys," they jeered in the Commons, as though their sons habitually broke into the wall dispensers at banks and picked the Chubb on the front door, either of which systems could be used lock a cable channel.

However, the White Paper which manages to leave a narrow escape route in virtually all its requirements does suggest the possibility of cable providing "some material passed for public exhibition by the BBFC [film censors] which would not be appropriate on a generally available channel broadcast by the BBC and IBA." This can only mean X films.

Furthermore, although mixed programme channels on cable will be limited to the same minutes of advertising as ITV, it will be possible to run channels consisting wholly of classified advertising — house sales with photographs and even videos are just one obvious application. Research proves that viewers would like more local news and current affairs on television, a service which relatively small local cable companies could run far more economically than regional giants such as Granada, let alone our national broadcasters.

Gorgeous feasts seem unlikely; it will probably be more like the arrival of a delicatessen on the nearest street corner.

The financial gamble facing investors

THE GOVERNMENT has thrown the switch for the start of Britain's cable television experiment. Publication of its White Paper outlining future policy ends months of speculation and guesswork and opens the way for prospective investors to chance their luck in the market.

What the White Paper couldn't do, however, was to clarify some of the most pressing questions confronting the embryonic industry: how many people want a wider range of entertainment in the home? How much will they be prepared to pay for it? And how much will it cost to provide?

Much attention will be focused on the dozen or so pilot schemes which the Government plans to license on an interim basis later this year. Other bidders will have to wait until Parliament has approved planned legislation. This is unlikely to be before the middle of next year, so much hangs on the timing and outcome of the election.

The first pilot schemes are likely to begin operating in 12-18 months' time. Each will be entitled to serve up to 100,000 subscribers, though most will probably start small and expand in line with demand.

Though no firm proposals have been submitted, several organisations have already thrown their hats in the ring. They include existing cable operators, such as Rediffusion, Thorn EMI, Visionhire, Greenwich Cablevision and British Telecom (BT), which at present operate cable systems linked to 2.5m homes. These systems were designed to carry public broadcasting to poor reception areas and most are technically obsolete.

Because of the high cost of cabling—estimated at £200-£500 per home, depending on how and where the cables are laid and the complexity of the system installed—many companies are forming consortia.

Merseyside Cablevision, formed last autumn to bid for the Liverpool area, has more than a dozen members including BT, Plessey, cable-maker BICC, the Pilkington glass group, the Littlewoods retail organisation and former Beatle Ringo Starr.

In Glasgow, the Scottish Daily Record has joined forces with Greenwich Cablevision and various financial institutions, while in the south the Solent consortium is backed by TV South, Portsmouth and Sunderland Newspapers and merchant bank Robert Fleming. Other areas attracting interest are Manchester, Leeds, Middlesbrough, Nottingham and parts of London.

Cable experts believe careful selection of franchise area and type of audience will be critical to commercial success. Many favour council estates and poorer, racially mixed, districts over affluent neighbourhoods. "Mayfair and Worthing will be the last parts of the country to be cabled," says Mr Bruce Fireman of investment bank Charterhouse Japhet. Market research also suggests that owners of video cassette recorders may be the best targets for cable marketing.

BT is expected to play a significant role in cable. Where cable networks have to be built from scratch, digging up and relaying the road may account for as much as two thirds of total system costs. By using BT's existing telephone ducts, the bill could be cut sharply.

BT has deterred some people so far by insisting on owning the cable systems it provides, though it now seems to be rethinking its position. It will share with Mercury, its new privately-financed competitor in telecommunications, the right to link systems in different parts of the country. Mercury will also be entitled to join consortia and has teamed up with Thorn EMI to offer a range of expertise and resources for cable projects.

Cable and Wireless, one of Mercury's shareholders, has set up a joint venture with Charterhouse Japhet and Comsco of the U.S. to install systems. Among equipment manufacturers, Racal and Plessey have combined respectively with Oak Industries and Scientific Atlanta, both of the U.S., while UEI, an industrial holding company, plans a joint venture with another American group, Times *Fiber Communications*.

Other potential equipment suppliers include GEC, Philips, Jerrold of the U.S. and Rediffusion, which has developed an advanced "switched star" technology. But few seem prepared to commit much more than token resources to the UK until they see how the market develops.

The first hurdle will be to get finance. The most expensive part of the business will be to build cable networks, each of which is likely to cost a minimum of £10-£15m to complete, about the same as TV-am's total backing to date. Many City experts think that because of their long-term nature, the systems will have to be funded extensively by debt. It remains to be seen whether satisfactory ways can be devised to raise debt for what are, by definition, high-risk ventures.

System licences will be awarded separately from operating franchises. Many operators will probably want to own their systems. But some are worried by the Government's proposal to grant 12- or 20-year licences (depending on the technology used), while issuing franchises initially for 12 and later for eight years. What, they wonder, would happen to a system owner who failed to get his franchise renewed?

The key to cable's revenue-earning success will lie in entertainment television programmes. It is widely agreed that a market for "inter-active" services such as home banking and shopping has yet to develop.

Several projects to supply programme material are under way. Feature films are expected to be staple fare on most systems. CSS Promotions and Viewsport plan to supply sports material, Virgin Records and Yorkshire Television both propose to offer pop music channels, Pearson Longman is considering plans for a round-the-clock news service, and several systems are expected to carry local news and community interest programmes.

Cable operators are expected to ask £10-15 per month for a package of "basic" programmes, with extra charges for "premium" channels and "pay-per-view." What nobody yet knows is whether enough revenues can be generated to cover the cost of buying programmes which people will pay to watch.

Pearson Longman is among the doubters. After extensive studies of Harrow, which suggested that it could cost as much as £500 to cable each house, it thinks that it may be hard to make money unless construction costs can be reduced or additional sources of revenue found.

One possible option to increase revenue would be to join forces with Mercury, which with BT is the only organisation authorised to use cable to carry voice. Both also have exclusive rights to transmit computer data in London's main business districts and in Manchester and Birmingham.

Mercury, which is keen to build its own local telephone network but is daunted by the cost, is expected to issue a public invitation soon for partners to join it in bidding for franchises for cable ventures which would double as local telephone companies.

Guy de Jonquieres

Letters to the Editor

Unemployment

From the Managing Director, Whatmon Reeve Angel

Sir,—The causes of the level of unemployment presently suffered in the UK are by definition multiple and in that I suspect no one would disagree with Mr Adam Seale (April 26). The important thing if you are engaging in the extremely difficult task of diagnosis is not to gloss over a root cause nor to confuse cause with effect.

Of course in a severe recession lack of demand is one cause. Of course any corrective measure applied to the highest inflation rate experienced in any major industrialised nation at the time will aggravate the position. The CBI spokesman, however, was quite right: to fail to list demanning from excessive levels as a basic contributor to our current level of unemployment is like diagnosing the excessive use of petrol in a car as a badly tuned engine when there was already a split in the fuel tank. This was a major element in the uncompetitiveness of which Mr Seale writes because with that level of manning even the relatively low UK wage rates represented too high a labour cost. Furthermore with the profitability that that situation created who could be expected to invest?

If the purpose of diagnosis is to attempt to cure or prevent then any factor as basic as overmanning must be recognised before we can claim the rightful share in the world's markets which is our only long term path to achieving an acceptable level of employment.

J. Leigh Pemberton.
Springfield Mill,
Maidstone, Kent

Overmanning

From the Director of Information, Confederation of British Industry

Sir,—We have no quarrel with Mr Seale (April 26) in cause of our present tragic level of unemployment. Indeed, it is exactly this that we have been saying for many years now and was the theme of our last national conference. We estimate that we have lost one and a half million jobs since 1970 as a result of competitive failings.

As one of the CBI's regional chairmen pointed out in the quoted "Newsnight" interview, overmanning in industry has contributed to this failure. Lack of investment is one of its consequences.

K. D. McDowall.
Confederation of British Industry.
Centre Point,
103, New Oxford Street, WC1.

Politicians

From Mr A. Payne

Sir,—On reading the article by Walter Ellis (April 26) about the attempt by the Netherlands to reduce unemployment one found it heartening and encouraging to see government, companies and workforce indicating that they are prepared to make a collective and imaginative response to this severe economic problem.

Indeed, it is interesting to draw a parallel with the experience of the UK over the last five years: Governments of similar political persuasion, economic policy moulded around similar ideals and objectives, with potentially the same consequences. Yet one finds a striking difference in response and attitude. In the UK one has repetitive, almost nonchalent, statements from Government ministers blaming the "world recession" for rising unemployment, to which one attaches as much scorn as one does scepticism to the bland claims of the Opposition that its panacea is to be found merely by increasing government spending.

The only similarity from two such contrasting views is the stark lack of imagination and virtues, that the Netherlands is successful.

A. R. Payne.
"The Pit,"
305 St Anns Road,
Horringay, N15.

Policies

From Mr S. Mason

Sir,—Rather after the fashion of Harold Macmillan who believed that by taking one penny off the working man's pint would encourage him to vote Conservative so this Government believes their draconian policies leading to low inflation and ever-increasing unemployment will have a similar effect.

The serious defect in the philosophy is the simple fact that the short term sprint to low inflation will not be maintained, the disastrous unemployment rate will be maintained and will be the source of a major social explosion before very long.

Stan Mason.
141, Kingsway,
Huyton, Liverpool

Relationships

From the Director, Industrial Participation Association.

Sir,—Your Labour Editor (Britain's unions, April 22) concluded that unions have to change fundamentally and rethink their industrial reflexes. So do many managements.

He used Cowley and Halewood to illustrate militancy, Talbot and Carreras Rothmans as examples of participative management making blind militancy look obviously irrational.

This association's experience is that genuine and sustained belief by management in employees as individuals is essential to generate mutual trust. It takes years to change attitudes, and firmly consistent executive interest too. But it pays: in terms of money if you "do a Jaguar" (or avoid doing a [illegible]) and even happiness, when you succeed.

As Talbot's industrial relations director said: "There's a lot more interest in the company than we thought there would be."

D. Wallace Bell.
85 Tooley Street SE1.

Registrars

From Mr J. Hortshorn

Sir,—My wife and I have a large number of small shareholdings in both UK and overseas companies. We have recently moved house, and have accordingly sent all registrars details of both the former address and the new address.

What a waste of time and effort! Our old address is still receiving over half of the mail, and the worst offenders are the professional registrars, the banks, merchant banks etc.

This very morning one set of accounts was received, courtesy of a bank registrar's department, at my old address, despite its chief registrar having informed me (on April 6) that "your change of address is receiving attention."

Could someone please let chief registrars know that altering addresses on computers etc is useless unless the Addressograph plates are also changed—don't blame the mindless machines but the unthinking operator!

J. V. Hartshorn.
The Barn Close,
Box,
Wilts.

Directors

From Mr O. Anderson

Sir,—The majority of boards of directors go their own way, with little or no thought for the interests of the shareholders or the workers. They are only interested in what is in it for themselves. There is not the space in a letter to list all the outrages committed by boards of directors over the last three to four years, even the ones take up far too much space, and if we included the advantageous arrangements that are made, but very carefully tucked away in a line in the annual report, this would run into a book.

Sir, the problem of all this, is the fact that shareholders are not (unfortunately) organised, and therefore are unable to present an organised resistance to the antics of directors. Really it's ridiculous that directors can give themselves cast iron service agreements, and the first the poor shareholders know about it is at the next AGM. Even the "non-executive director" is a bit of a joke. The shareholders have no say in their appointment, and having been appointed with a very nice annual fee, there are not many of them prepared to stick their necks out really to protect the poor little shareholder.

So perhaps the time has come when the independent shareholders should get themselves organised, because that is the only way they will be able to stand up to the boards of companies. I wonder if there are other shareholders who feel the way I do about these matters, I am certain that if we could only get the shareholders in this country to take an interest in the companies in which they have a stake in the same way that stockholders do in the U.S., I think we would see a much higher standard of ethics on the part of directors in this country.

O. S. Anderson.
April Cottage,
Chafford Lane,
Fordcombe,
Tunbridge Wells,
Kent

Recruitment

From Mr P. Newman

Sir, — I am reminded by your editorial of April 25, concerning civil service recruitment that in early 1980 the Foreign and Commonwealth Office was concerned about the high proportion of young leaving the diplomatic service not very long after joining. One young man had been prevailed upon to give his reasons for leaving, and he did so in a letter, part of which was then given a limited circulation by the office among staff at home and abroad with the invitation to comment.

As I recall the tenor of this young man's criticism was that the service was too formal and stylised in its paperwork while its management methods were archaic and resistive of change. Further, that any attempts to question or change these practices could have a damaging effect upon one's career prospects and so one either had to knuckle under or leave. He had chosen to leave.

So while Sir Alec Atkinson's desire for change in our education system is understandable enough, this surely can only be a long term objective. More immediately realisable would be change of management methods within the civil service so that those attracted to the service in the first place are encouraged to remain with their first choice career. At one time I had hoped that the Parliamentary Select Committees set up soon after Mrs Thatcher's Government came into office would go a long way towards making the civil service more accountable to Parliament and the nation. What sad reading therefore was the recent report that Sir Robert Armstrong, Cabinet Secretary, had decided on a point of principle not to appear before a Commons Select Committee chaired by Mr Christopher Price of the Education, Science and Arts Committee. To me this smacks of a state within a state and as such inconsistent with the democratic principles which govern our country.

Can the civil service really presume in this way to be a law wholly unto itself?

Peter F. Newman.
2 Maplehatch Close,

David Churchill looks at the growth in Britain of the Safeway group

A giant flexes its muscles

SAFEWAY STORES, the world's largest supermarket chain, this week formally served notice that it intends to make a significant impact on the fiercely competitive £24bn a year British food market.

After 21 years of careful expansion in Britain—using a centralised and highly sophisticated distribution system—the UK Safeway operation on Thursday beat off last minute competition to snatch the 97-strong Key Markets chain from Fitch Lovell for £35m. At a stroke, Safeway thus doubled its UK store network which now stretches from Dundee to Dorset—it now has over 10 per cent of the lucrative London and south-east food market.

Throughout the world the group already has almost 2,500 stores — in the U.S., Britain, Canada, West Germany and Australia. Every day these cater to some 4m customers who spend a massive total of $350m a week.

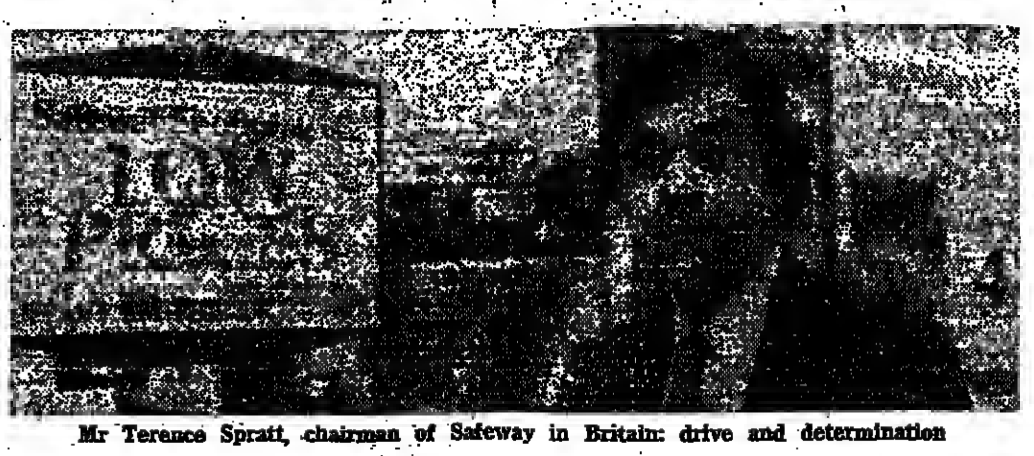
So far in Britain, however, Safeway has avoided head-on combat with the supermarket majors: now it plans to use the Key Markets acquisition (subject to approval from the Office of Fair Trading) to form the base for a bid to become as dominant a force in the British market as the three home-grown giants—Sainsbury, Tesco and Asda.

Safeway's rivals profess to be sanguine about the move. According to one stores chief (who prefers to keep his back-biting anonymous) "it merely reflects a merger of two second division teams unable to make the big time on their own."

Yet privately Safeway's rivals are probably a good deal more worried about the new challenge than they are prepared to admit in public. The City, certainly, is impressed by Safeway. "It's a very efficient, well-managed store operation," says Mr Tony MacNeary, a senior stores analyst with Capel-Cure Myers, who has recently visited the Safeway operations in both the U.S. and Britain.

Mr Malcolm Samuel of Pember and Boyle is equally complimentary. "Safeway has maintained consistent profit margins of between 3.5 and 4 per cent since the mid 70s," he says. "It's a very impressive track record."

Since 1976, Safeway's British sales have increased by a fifth each year on average (to £502m last year), while profits have risen steadily by almost a third each year (to £17.1m in 1982). Sales per square foot have also climbed steadily — from £113 in 1976 to £252 last year—while average weekly sales per employee have jumped from £446 to £923 over the same period.



Mr Terence Spratt, chairman of Safeway in Britain: drive and determination

Of native British supermarket chains only Sainsbury has had a better growth record over this period. It's annual sales per square foot, for example, are still almost double those of Safeway: yet Safeway is comfortably ahead of most of its less exalted rivals.

How has Safeway achieved this enviable record? "It's created a successful formula, got its costs under control, and simply replicates itself again and again," suggests MacNeary of Capel-Cure Myers.

The main ingredients of this formula are:

● *Style:* Safeway has adopted a world-wide style. Customers going into any Safeway store—be it in Michigan, Melbourne, or Manchester are immediately at home in the brightly-lit stores, wide tiled aisles and brown, orange and pastel green decor.

● **Service:** The company has a passion for courteous and efficient service, and spends considerable time and effort on staff training. UK staff who are especially polite—as indicated by letters or comments from customers—get a special presentation watch and their picture in the house magazine.

● **Merchandising:** Safeway was probably a decade or so ahead of its time in the 1960s when it introduced self-service selection of fresh vegetables, in-store bakeries, and delicatessen counters. Now other stores stock similar merchandise: in fact a 20,000 sq ft Tesco or Sainsbury (the average Safeway store size) will have copied many of the characteristics that Safeway pioneered in the 60s.

Yet Safeway seems to be staying one step ahead of the competition. Stores will provide an iced birthday cake with a particular name on it even if ordered by telephone; flowers can be sent anywhere in the UK from a Safeway store; and films can be given in for processing. Safeway's new ventures include in-store post offices and pharmacies.

● **Distribution:** Safeway operates a highly centralised distribution system whereby all deliveries from manufacturers got to one of three depots—in Kent, Cheshire, and Glasgow. Only five Safeway lorries unload at each Safeway store, mainly in the evening. This ensures there are no queues of lorries blocking the High Street as happens outside other supermarkets, who allow manufacturers to drop loads at the store.

It's a point which specially appeals to local authorities and one reason why they sometimes favour Safeway's planning application over those from rival stores.

● **Stock control:** The centralised distribution network enables Safeway to operate a very tight stock control system. Every store has a micro-computer linked to the main-frame computer at each depot. Every morning the results of the overnight stock check are transmitted to the depot, the order made up during the day, and delivered to the store that evening. Then a full-time night shift re-stock the shelves and check depletions from that day.

This procedure means that most of Safeway's stocks are actually held on the shelves in-store, rather than in stock rooms as happens in many other chains.

● **Management:** One of the key factors in Safeway's growth record, according to most in the grocery trade, has been the drive and determination of Mr Terence Spratt, the 53-year-old chairman and managing director.

Spratt joined Safeway when it established its UK operations in 1962 and took over the small supermarket chain for which he worked. Although British-born, Spratt now exudes much of the corporate toughness of the typical U.S. executive: his 21-year association with the Californian-based Safeway bosses has obviously left its mark. Yet he maintains that much of his success since becoming chairman in 1975—replacing an American boss—was because he knew the British market so well.

Spratt's management style is uncompromisingly tough: "When we promise to do something, we do it." Yet staff remain loyal: every store manager has come up from within the ranks and few choose to leave in spite of tempting offers from elsewhere.

The problem now, however, is how to integrate the Key Markets management and stores *into the disciplined Safeway* operation. Many trade observers expect that Spratt will get rid of the smaller Key Markets stores—some 60 per cent are below 10,000 sq ft in size—although he maintains that "well-run small stores can be just as profitable if the controls are tight."

Management may be more of a problem since much of Key Markets faltering performance in recent years has been the result of the loss of key executives. Last year, for example, Key Market's managing director—Mr David Caulfield—quit to join International Stores.

The American parent this week set a spratt (Terry) to catch a mackeral (Key Markets). But this is unlikely to be its last fishing expedition in the UK as it drives to achieve what it sees as its rightful place at the top of the supermarket league in Britain.

THE OUTLOOK IN THE U.S.

THREE years ago when Mr Peter Magowan, then aged 34, took over the helm at Safeway's California headquarters there were real fears that the giant chain was following inexorably in the footsteps of the Great Atlantic and Pacific Tea Company, or the A and P as it's universally known in the United States, writes William Hall.

A and P, now majority owned by the German Tengelmann group, and once the dominant force in the U.S. supermarket business, was fading fast, a victim of its inability to adjust to changing conditions in what is probably the most competitive supermarket market in the world.

Magowon, who looks more like a High School English teacher than a chief executive, has already begun to turn Safeway round. Volume is up, margins have improved, pricing is more aggressive. Meanwhile some stores have been closed, food processing plants have been cut back and its heavily unionised labour force is being pressed to make concessions to allow it to trim wages costs.

At the same time the company has spent heavily on new larger stores at the rate of some $500m a year. Conventionally sized supermarkets still account for two thirds of its 2,400 U.S. stores, but "superstores" are being rapidly developed. More than 40 per cent of their average 40,000 sq ft selling space is devoted to non-food items.

For the future Safeway wants above all to capitalise on the fact that every day a million of its customers cash cheques in its American stores. By the end of the year 250 stores will have automated teller machines; in the longer term it is considering emulating the Sears Roebuck retail chain which has ambitious plans to turn its stores into so-called financail service centres.

It is too early to tell if Magowan, whose father piloted Safeway in the successful 60s and early 70s, is going to be able to restore margins his father took for granted. Aggressive competition leaves little room for mistakes and the company is heavily geared which reduces room for manoeuvre still further.

Spain's Rumasa Affair

'This is only the start of a very long film'

By Alan Friedman, Banking Correspondent

THE MAN in room 401 of London's Carlton Tower Hotel looked pale and tired. Immaculately attired in a custom-tailored suit, a monogrammed blue shirt and expensive black leather shoes, he began to pace around the table.

He had been talking almost non-stop for two hours and now, Sr Jose-Maria Ruiz-Mateos, founder and former chairman of the expropriated Spanish group Rumasa, sighed deeply in response to the question of whether he had ever met the late Roberto Calvi of Banco Ambrosiano.

"I never met Calvi, but some people say I will end up like Calvi," he declared, forming the outline of a noose around his neck with his hands and then smiling sardonically.

Sr Ruiz-Mateos looks an unhappy man these days. His financial empire, which he values at Pta 500bn (£2.4bn), has been confiscated by the Spanish Government. A host of criminal charges, ranging from currency offences to social security fraud, have been levelled against him. And for six weeks now he has been living in self-imposed exile in London, working day and night with lawyers who are fighting a rearguard action against a determined Government in Madrid.

Most men in such a position might hole up in a faraway country and refuse to say a word except through their lawyer. But Sr Ruiz-Mateos, like a boxer ready to stagger from his corner for a tenth round, is ready to summon up his last ounce of adrenalin in order to attack his critics.

He denies totally every allegation of wrong-doing. He entirely refutes the criticisms made by Sr Miguel Boyer, the Spanish finance minister and a major protagonist in the legal campaign against him. He accuses the Bank of Spain of being "incompetent, completely incompetent." And he accuses the Spanish Government, which on February 23 expropriated the 800-company Rumasa empire, of "theft."

As if this were not enough, Sr Ruiz-Mateos pours scorn on the Madrid Government's revelations about hitherto unknown Rumasa companies, the existence of which, it claims, was not disclosed by the empire he founded 22 years ago.

"Where do they find these new companies from? It's ridiculous. They know nothing about Rumasa at the Bank of Spain. Where do these Bank of Spain people come from? From another galaxy? These supermen claim to know all. They know nothing," he explodes.

Sr Ruiz-Mateos

The Rumasa founder-in-exile is most troubled about allegations relating to the 18 banks expropriated by the Spanish authorities. "We started in banking 20 years ago with Pta 1m (£4,700) in capital and Pta 20m in deposits. Before the banks were taken away in February we had Pta 50bn (£235.8m) in capital and Pta 900bn (£4.2bn) in deposits."

"I understand that people have withdrawn Pta 140bn (£636m) in deposits since February. The Government has had to inject this much since then." But Ricardo Goytre, an administrator general of Rumasa, yesterday said that only around Pta 70bn had been withdrawn since February.

Asked to comment on allegations that two banks in Barcelona and Oviedo were secretly acquired by Rumasa in 1981 and 1982 (in addition to the 18 disclosed bank subsidiaries), Sr Ruiz-Mateos throws up his hands in disgust. "These are not Rumasa banks. We had only 18 banks," he claims. He is vague, however, about who actually owns these two banks.

"Think about these banks like this," he suggests. "You can own the Financial Times and the Financial Times can have other interests, eh?"

Sr Ruiz-Mateos refuses to say whether he or Rumasa is the owner of Netherlands Antilles companies such as Multinvest NV, which received funds fr[om] the London branch of Rumas[a] Banco de Jerez and was t[he] owner of Augustus Barnett a[nd] other companies.

He is willing to confirm th[at] millions of dollars we[re] channelled from Banco [de] Jerez's head office in Spain [to] its London branch, on to co[m]panies in Panama and then ba[ck] to London. But he says he h[ad] no knowledge of details.

One such detail was a seri[es] of telexes despatched fro[m] Rumasa banks in Spain [to] London and providing guara[n]tees for loans to Panamani[an] companies (which in turn tra[ns]ferred the funds back [to] Multinvest in London). T[he] Financial Times has seen [a] copy of the telexes, signed [by] a Banco del Norte employe[e]. But Sr Ruiz-Mateos said [he] knew nothing of the telexes. [He] never got involved in detail[s], he explained.

A Rumasa bank executi[ve] contacted by the Financi[al] Times said yesterday t[he] telexes had been despatched [on] instructions which came fro[m] top echelons of Rumasa. He sa[id] that the "guarantees given [by] our bank head office came fro[m] the Rumasa parent."

Moving away from details, [Sr] Ruiz-Mateos is more fort[h]coming. He speaks of his wi[fe] and 13 children, who have be[en] visiting him in London. W[hy] did he not stay in Spain? "To[o] much pressure. I needed [to] get away. I could have go[ne] to Copenhagen, but London [is] my favourite city aside fro[m] Madrid."

Then, removing his jacket [in] room 401 at the Carlton Tow[er] begins to hot up, Sr Rui[z-]Mateos raises a finger an[d] speaks in a low and soft voic[e]. "Two days before the takeov[er] of Rumasa, which incidentall[y] was on the anniversary of th[e] coup attempt in Spain, two day[s] before this I had a meetin[g] with Sr Boyer. It seemed to m[e] he had no idea about Rumas[a]. He was very nervous. He wa[s] afraid of me. He smoked tw[o] packets of cigarettes in tw[o] hours and sweat was runnin[g] down his cheeks."

There was no sweat runnin[g] down Sr Ruiz-Mateos's cheek[s] when he left the Carlton Towe[r] on Thursday evening. But h[e] paused at the door, while hi[s] bodyguard and interprete[r] waited, and looked even mor[e] tired than before. "This is onl[y] the start of a film, a very lon[g] and big film," he whispered.

Weekend Brief

April 30: a night to remember

READERS of a gentle temperament had best take cocoa early tonight and miss the midnight movie. It is not a night to tempt the Fates: April 30 is a wild day, a day when doomed actions have commenced and monsters met their end. April 30 is *Wolpurgisnacht.*

Our German readers will know what that is, though some of our English readers may not. They should, for it is something of an Anglo-German event: St Walpurgis (c. 710-780) was an English missionary to Germany, where she ended up as an abbess. For reasons best known to themselves, the Germans chose to regard the night before her saint's day—May 1—as a time when witches held a sabbath and restless spirits howled.

It was on *Walpurgisnacht* 1945 that Hitler died in his bunker, his spirit joining its comrades howling about his ruined capital. What he was doing on that *Wolpurgisnacht* will not, we presume, be recorded in the alleged diaries, though presumably it has entries covering previous such occasions, which will be fascinating to read. Of more immediate interest to those of us who make a living in Fleet Street is what executives of Times Newspapers will be doing on this night: howling too, we must assume.

The older trade unionists in Britain have cause to howl, too, for April 30, 1926 was when the leaders of the TUC finally bit the bullet and gave the authorisation to the General Council to "conduct the dispute" which became the General Strike. This was the Labour movement's greatest defeat—a week of solid support achieving nothing for the mineworkers in whose name it was conducted, and followed by a decline in membership and power.

Spirits were abroad that day, too—though the pious trade unionists who gathered in the Memorial Hall in Farringdon Street to await the breakdown of negotiations between the General Council and the Government tried to ensure they were good ones, by singing hymns to pass the time. (They would not now.)

Yet the wildness of the day will not be kept down. When it came to the roll call of the unions who supported general strike action, the first to declare their solidarity was—the Union of Asylum Workers. Thereafter, there was no going back: a final, desperate attempt at negotiation was broken off by the Government on the excuse that the Daily Mail printers had held up production of the paper: the fateful die was cast.

One anniversary only stands out from the gloom. George Washington became U.S. president on April 30, 1789: the New World showing contempt for the superstitions and fantasies of the old. So one cheer for democracy before you turn in and pull the covers over your head.

Beansprouts boom in Britain

ONE OF the fastest growing sections of the UK economy in recent years has been the beansprout industry. Even the most fastidious grower can turn out a new crop every six days, and some are producing two crops a week.

The taste for the bean sprout has, of course, been synonymous with the growth of the Chinese take-away and restaurant business—helped by what is sometimes rather unkindly referred to as the "Volvo, wok and au pair brigade." The more enthusiastic members of this band, apart from producing their own Chinese meals, grow their own beans from seed.

In the cold light of dawn in London's new Covent Garden market at Vauxhall, Fyffes-Monro Produce will tell you that they were selling five to 10 10lb bags a day a year ago: Turnover is now over 25 bags a day. Another Covent Garden firm, Greenhill Mushrooms, is unloading some 30 10lb bags a day against 10 a year ago. A 10lb bag costs £1.40.

There are quite a number of growers who combine bean sprout production with their other activities. But possibly the biggest grower in the UK concentrating solely on the sprout is Joseph Pao, a post-graduate electronics engineer of Southampton University. He got the beansprout message as early as 1964.

From his north west London factory he produces up to 100 tonnes of beansprouts a week from mung beans imported from Thailand. After de-husking, the beans simply germinate in the dark and warmth in polythene containers each producing 500 kilos of sprouts every six days. Pao reckons this is the minimum time required to achieve the right thickness and quality. He also reckons they are the cleanest vegetables produced as no soil whatsoever is used in their growth.

A private venture, the plant now represents a total investment of over £500,000. Pao's first major customer was the Safeway supermarket group, whose orders helped him on his way. Other customers now include Waitrose and International Stores.

Mr Joseph Pao, bean sprout grower and processor of NW London

He has 50 vans constantly on the road making deliveries over most of the southern and western half of Britain ranging from South Devon to Cardiff and Bristol. Rapid delivery is the key to the beansprout industry because of the perishable nature of the goods. This, along with packing, comprises the major cost of the exercise. The basic ex-factory cost of the beans, because of the scale of the operation, is only 7½p to 8½p a lb in bulk according to the quantity ordered.

All supermarkets served by the firm have to have a daily delivery, and catering establishments have to be serviced three or four times a week.

—Elsewhere, Marks & Spencer, who started selling beansprouts in the late 1970s, report a steady level of sales. But since last November, when they introduced special stir-fry packs containing 80 per cent beansprouts plus carrots, mushrooms and onions — with a choice of two sauces — sales of this item have increased more than four-fold. All the ingredients, including the sauces, are of British origin.

J. Sainsbury also reports steadily increasing demand for beansprouts since they were introduced to their shelves in 1980. But here again sales have been boosted by the introduction of a beansprout salad last year. This includes cress, red pepper and red cabbage at 39p for a 70 oz pack.

To return to Mr Pao. He is confident about the future for the beansprout industry and predicts that sales will continue to grow in the UK at an annual rate of about 10 per cent. No doubt Volvo and wok sales *will continue to keep pace.*

Keeping the bees happy

ISRAELI BEES are about to get new plastic insulated hives designed for hot or cold countries from a Jerusalem company, which, in conjunction with the Hebrew University in Rehovot, has spent five years researching the habits of the honey gatherers in the Middle East.

Rotoplas of Jerusalem is going into full production with consignments of the plastic hives to South Africa, Holland, Australia, the UK and U.S. and Japan.

It has patented the system worldwide. The insulation to keep the bees happy consists of an outer layer of cross linked polyethylene with a similar inner layer. Rotoplas says the quality of the honey is not affected by the plastic.

But the sting in the tail is that within a plastic hive the bees have to heat their wings rather less frequently to keep the temperature down in hot countries; they use less energy and, therefore, consume less honey.

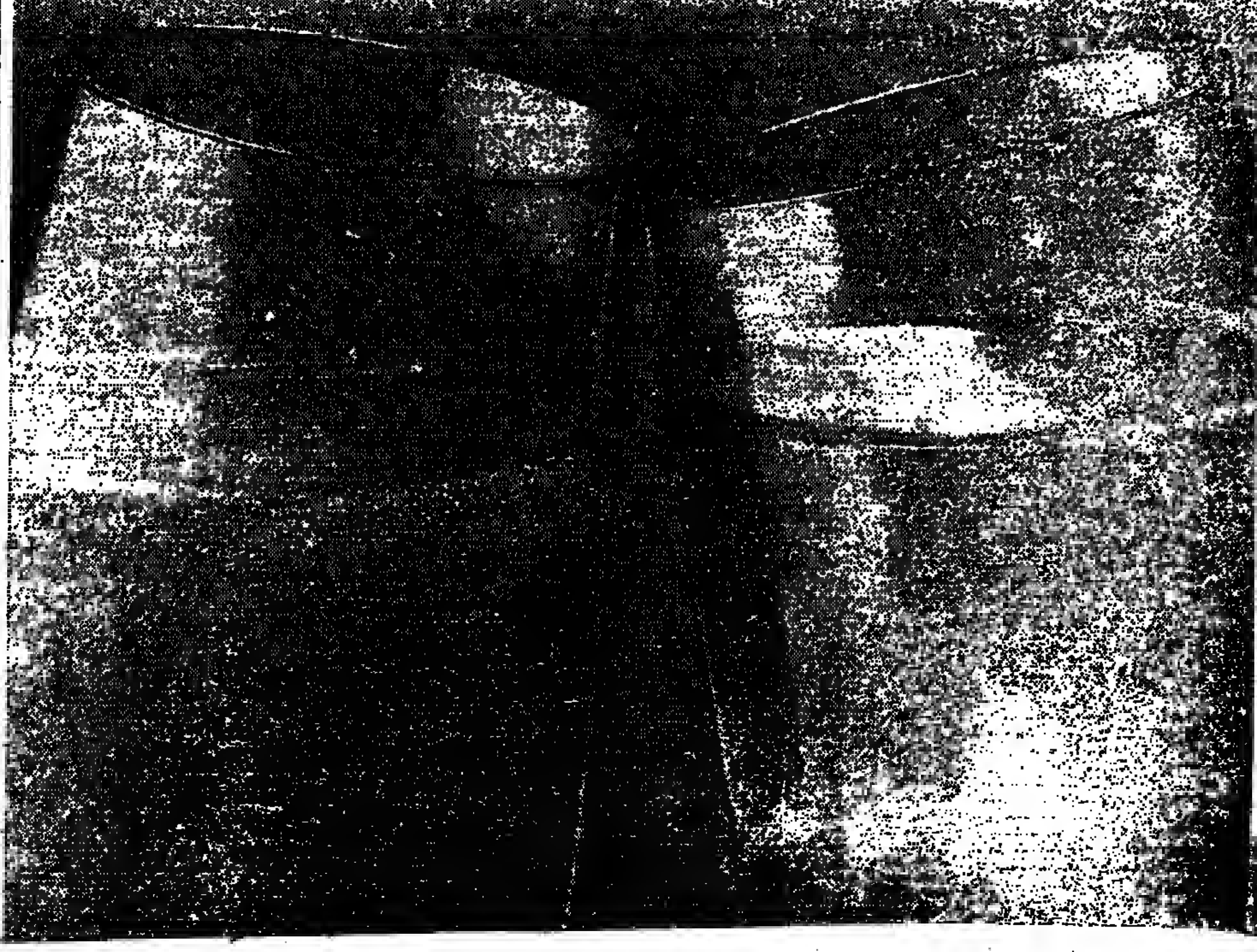
Better still it was found that the Queen Bee indulged in sexual activities two weeks earlier than normal thus increasing the Israeli bee population.

Contributors

John Lloyd

Ian Dunning

Max Commander



Hopkinsons picks up and ends year just ahead

SECOND HALF taxable profits of Hopkinsons Holdings, manufacturer of boiler mountings, valves, advanced from £1.83m to 2.04m and left the figure for the year ended January 28 1983 just ahead at £3.5m, compared with £3.49m.

Turnover was little changed at £54.51m (£54.71m) and the dividend is effectively increased to 5.65p (5.44p adjusted) net per 10p share with a final distribution of 4.15p (same).

Pre-tax results at midway were 1.46m, against £1.66m, and the directors said that profitability in the second six months, at the level needed to give reward to resources employed, would be difficult to achieve.

Group trading profits for the 12 months were down slightly at £3.36m against £3.71m but there was interest and other income received of £144.00, compared with £221,000 paid.

Tax charge was £1.26m (£881,000) after which earnings are shown as 17p (19.31p) per share.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Henry Boot	11.5	—	10	14.5	13
Border and Sthn. ... int.	1.3	June 10	1.3	—	3
Bremner	1.7	July 8	3.15	2.2	4.3
Sir J. Causton	0.71	July 8	1.35§	2.84	2.13
Clayton, Son	5.07	—	5.07	6	6
Cole Group	2	July 4	2	3	2
Fitzwilton ... int.	1	—	2	—	3.5
A. Henriques	1	—	1.2	1.5	1.5
Joseph Holt	7	—	7	10	9
Hopkinsons	4.15	July 1	4.15	5.65	5.44*
Lake View	2.7	July 1	2.65	4.25	4.15
Liberty	2.6	June 13	2	3	2.4
Pentland Inds.	1.46	July 7	1.3*	1.83	1.63*
Sunlight Service	3.64	June 16	2.78	4.39	3.38
Towels	2.4	July 1	2.1	2.4	2.1

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § For 16 months, comparative for 13 months.

comment

Trading picked up significantly for Hopkinsons in the second half, but the company is still forced to work a four-day week in some areas, with demand poorest in the gas and waterworks related activities. The company is highly dependent on the longer term cycle of the power station valve business, where orders stretch ahead for up to four years. Advance payments from these are a major factor in the £144,000 interest receipts. The slight improvement in margins reflects reductions in overheads resulting from redundancies in the Moncrieff glassworks. The company is well-placed to win the bulk of the valve contracts from Torness and Heysham power stations, pointing to pre-tax profits of £4m in the current year. The shares rose 2p to 117p, where they stand on a p/e of 5.5.

Sunlight Service Group on target

LAUNDRIES AND dry cleaning concern Sunlight Service Group advanced from taxable profits of £2.16m to £2.81m in 1982, on turnover ahead at £35.82m, against £30.04m. This compares with a forecast of pre-tax profits of not less than £2.7m made last week at the time of the company's offer for Johnson Group Cleaners, which subsequently lapsed.

The earnings per share are stated as rising from 13.21p to 17.81p and the year's dividend is being lifted from 3.375p to 3.388p net with a higher final of 3.658p compared with 2.775p. At the time of the offer an annual distribution of not less than 4.05p was forecast.

Tax took £654,000 (£653,000) and there were minority interests of £7,000 (nil) and extraordinary debits of £321,000 (£97,000).

At the halfway stage the company was already ahead with pre-tax profits of £969,276 (£719,996), earned on turnover of £17.21m (£13.34m).

Current cost adjustments reduced the 12 month taxable figure to £2.5m (£1.86m).

comment

Although Sunlight Service Group's profits and dividend are higher than those forecast by the company in its bid document for Johnson Group Cleaners its share price fell 2p yesterday to 173p. Critics of takeover regulations, and Sunlight must now have joined those ranks, will point out that the bid was made no less than ten months ago. In the sensible world of dry cleaning, anything left waiting longer than three months is fair game. Whichever of the Initial/Sunlight/Johnson troika family benefits from Lord Cockfield's extended pensée, the only guaranteed winners are the merchant banks. The most significant factor in 1982's advance seems to have been gains stemming from the surgery carried out at Sunlight's last acquisition, New Era. Overall, margins have been under consistent pressure, and Sunlight, despite its impressive track record, was evidently insufficiently competitive to win any of the local authority refuse collection contracts. Sunlight's PE of over 15 is pretty much in line with the sector, although the prospective multiple of 29 placed this week on new shares in Securiguard, must have sent eyebrows equally skyward at Sunlight HQ.

Sir Joseph Causton at £1.25m

IN THE 16 months to January 1 1983 publishing, bookselling, packaging, stationery and textile printing concern Sir Joseph Causton and Sons produced taxable profits of £1.25m on turnover of £27.57m. This is against profits of £886,000 in the year to September 30 1981 on turnover of £14.94m.

The directors say comparisons with earlier years are particularly difficult in the light of the changed year-end and the acquisition of Welbeck Investments — which contributed pre-tax profits of £354,000 in the seven months from July 1982 — and Citiforms — which contributed £62,000, in the two months from December 1982. Both these profit figures are after deducting interest on the cash element of the acquisition.

During the 16-month period more than 50 per cent of group profits came from publishing and bookselling and over 40 per cent from packaging. The directors say this emphasises the impact of the group's diversification and growth in these sectors. Since the year-end the group has acquired 75 per cent of Headway Publications, which will further strengthen the group's position in specialist publishing, they add.

The dividend for the 16 months is set at 2.5448p net per 25p share—compared with 2.1336p for the previous year—with a final of 0.7112p (1.35p). Earnings per share are given as 6.6p (7p).

Tax took £402,000 (£114,000), and after minority losses of £15,000 (nil) and extraordinary debits of £240,000 (£65,000) the attributable profits emerged at £625,000 (£677,000).

The extraordinary items consisted of factory reorganisation and redundancy costs plus the costs of settlement of litigation.

Pentland Inds falls behind in second half

A fall in second half taxable profits from £516,000 to £454,000 left Pentland Industries behind at £1.01m for 1982, compared with £1.32m. Turnover for the 12 months advanced by £7.38m to £39.9m.

The final dividend is raised from 1.3p (adjusted for scrip) to 1.46p net per 10p share making a higher total of 1.83p (1.63p adjusted). Earnings per share are given as 8.43p (8.6 restated).

Tax took £120,000 (£132,000), and after minority debits of £82,000 (£25,000) and extraordinary charges of £8,000 (£28,000), the attributable profits emerged at £1.03m (£1.24m).

Cole £0.26m in the black

ALTHOUGH turnover at Cole Group, chemicals, plastics, electronics concern, fell from £19.37m to £18.35m, taxable profits amounted to £260,000 for 1982, compared with losses of £359,000.

At halfway losses of £295,000 had been turned into profits of £71,000 and directors said that signs were that the improvement in the company's fortunes should continue through to the year end.

After a tax credit of £9,000 (£363,000) earnings per share are shown as 9p (0.8p losses) while the dividend total is 1p higher at 3p net with a same-again final.

Humberside £89,000 loss

PRE-TAX losses of £89,000 were suffered by Humberside Electronic Controls for the six months ended November 30 1982, compared with profits of £71,000 last time.

Turnover was well down at £344,000 against £413,000, for this USM company concerned with retrofitting and servicing electronically controlled machine tools.

The directors say that an improvement in sales during March and April of this year has come too late to eliminate entirely the first half loss.

Pre-tax figure was after interest charges of £44,000 (£33,000). There is no tax (same).

Brentnall Beard advances midway

TURNOVER of insurance and reinsurance broker Brentnall Beard (Holdings) fell from £325,000 to £275,000 for the six months ended March 31 1983, but taxable profits went ahead to £81,000, compared with a previous £62,000.

After tax of £17,000 (£20,000) earnings per 10p share are shown as 0.8p (0.5p), and although there is no interim the directors say that a final dividend will be recommended—there has been no distribution since 1978.

Directors say the company continues to have very strong financial resources.

In their annual report—pre-tax profits for the 1981-82 year were £255,000—the directors said that the delay by Lloyd's in deciding whether group subsidiaries should continue to act as Lloyd's brokers had adversely affected efforts to expand the business.

Holt at £2.17m

Following a rise in turnover from £6.23m to £7.55m, taxable profits for 1982 of brewer and wine and spirit merchant Joseph Holt advanced from £1.85m to £2.17m.

Earnings per 25p share are given higher at 35.63p (33.4p) and a same again final dividend of 7p net lifts the year's total to 10p (9p).

Henry Boot ahead

Higher second half pre-tax profits of £1.07m, compared with £1.65m, pushed Henry Boot & Sons ahead from £1.83m to £2.19m in 1982.

With earnings per 50p share given higher at 39p (37.5p) the final dividend is being raised from 10p to 11.5p, lifting the total from 13p to 14.5p.

Turnover of this group with interests in construction, joinery, property, foundry, plant and finance, moved up from £97.5m to £106.55m. Tax took £557,000 (credit £55,000) and there were minority credits of £10,000 (£12,000) and an extraordinary debit of £130,000 (nil).

Fitzwilton down

Including associates' share of I£250,000, against I£255,000, pre-tax profits of Fitzwilton, Dublin-based investment company fell from I£543,000 to I£348,000 for the six months ended December 31 1982.

The interim dividend has been halved to 1p net per 25p share in pursuance of a conservative dividend policy, the directors state. Last year's final payment was 1.5p and profits were £748,000.

There was a tax credit of £35,000 (£60,000 charge).

Lake View Trust

Gross revenue of the Lake View Investment Trust slipped from £3.85m to £3.83m in the year to March 31 1983.

After expenses and interest of £556,626 (£535,511) and tax of £1.22m (£1.19m) the earnings per 25p share are given as 4.54p (4.68p).

The year's dividend is raised to 4.25p net (4.15p) with a final of 2.7p (2.65p). Net assets per share are stated at 244p (175.6p) prior charges at par.

Clayton, Son & Co

Second half taxable profits of £29,000, against £61,000, were not enough to make up for losses in the first six months, and engineering concern Clayton Son & Co (Holdings) ended 1982 with losses of £575,000 compared with £100,000.

Despite stated losses per 50p share before extraordinary items of 10.57p (earnings 11.96p) the final dividend is maintained at 5.0683p net making a same again total of 6p.

Tarmac to acquire rest of L & H

BY CHARLES BATCHELOR

WOLVERHAMPTON - BASED quarries and construction group, Tarmac, is to mop up the outstanding 10.7 per cent of rubber and plastics moulder Long & Hambly (L & H) it does not already own.

L & H yesterday announced a sharply higher loss—of £5.47m pre-tax—in the 17 months ended December 31 1982, and will pay no dividend.

Its assets have fallen to less than half its outstanding share capital so an extraordinary meeting is to be held after the AGM on June 1 to consider what steps should be taken.

Tarmac Building Products has agreed to offer 10p in cash for each ordinary share in a recommended deal worth £214,500 and 80p cash for each £1 preference share worth a total of £225,000.

Tarmac first acquired a stake in L and H last July when it bought a 75 per cent stake for £1 from Scottish Cities Investment Trust and has since bought a further 14.3 per cent in the market for between 6.5p and 10p each.

Tarmac is now integrating L and H, based in High Wycombe, Buckinghamshire, into its polymer group of companies.

"When we took it over it was very heavily loss-making," said Mr Graeme Odgers, finance director. "We have considerably stemmed those losses but the balance sheet is in a weak position.

"We have tightened up the management throughout, by stock and production control."

The £5.47m loss in the 17 months ended December 31 1982, compared with a loss of £1.24m in the preceding 12 months but occurred largely before Tarmac took control, L and H said. The rate of loss has now been significantly reduced but high financing costs persist.

After a tax rebate of £71,000 and an extraordinary loss of £781,000, L & H made an attributable loss of £6.18m. This compares with a loss of £1.38m in the preceding 12 months after the tax of £26,000 and an extraordinary loss of £106,000.

Turnover rose to £14.5m from £14m. The loss per share was 27p compared with 6.4p.

Tarmac's shares rose 4p to 436p while L & H firmed 1p to 9p.

A & G Security buys Carters of Burnley

BY CHARLES BATCHELOR

OLDHAM-BASED maker of security alarm systems, A & G Security Electronics, is to pay £1.4m for Carters of Burnley, the fire alarm business of Burco Dean, the loss-making domestic appliance manufacturer.

A & G, which came to the Unlisted Securities Market 18 months ago, will issue new shares to meet a substantial part of the purchase price although precisely how much has not yet been decided.

Carters, which employs 66 people, made operating profits of £110,000 before tax in the 10 months ended January 31 1983 on turnover of £1.6m, according to management accounts. The assets involved had a book value of £454,000 at September 30 1982.

Carters is the country's third largest maker of fire alarm systems including control panels, break-glass call points, smoke detectors and burglar alarm bells and sirens.

It also manufactures digital communicator and receiver units which are approved to connect with British Telecom to transmit signals to fire and alarm stations.

"We have doubled the size of the company overnight," said Mr Gerry McNamara, A & G chairman. "It is a wonderful buy. A fire alarm installer has 14 to 15 items on his shopping list. Previously we only had five of them. Now we will have 10 or 11."

A & G is continuing to look for suitable acquisitions. It already claims to be the largest manufacturer of burglar alarm control systems in the country and believes it is now also the largest in the fire alarm field.

The company has annual turnover of about £2m and employs 56 people. It made pre-tax profit of £346,000 on turnover of £935,000 in the six months ended January 31 1983.

"There are now 5,000 burglar alarm installers in Britain compared with 500 five or six years ago and annual installations are running at 120,000 against 5,000, according to A & G.

An additional benefit of the merger is that A & G will be able to supply Carters with £500,000 worth of printed circuit boards annually which are currently bought from outside suppliers, Mr McNamara said.

Burco Dean said it had decided to sell off Carters to concentrate on its domestic appliance, furniture and leisure products. Carters formed part of its Thomas Ashworth subsidiary. Burco will realise Carters' outstanding debtors of £340,000 and pay off creditors' items of £190,000 at September 30.

A & G's shares rose 10p yesterday to 278p while Burco Dean firmed 3p to 37p.

Tilling writes to BTR holders

BY RAY MAUGHAN

Thomas Tilling has taken what it admits is the unusual step of writing to shareholders of its adversary, BTR, in an attempt to fend off BTR's £600m bid for the industrial conglomerate. Its letter is also unusual in that, even at this relatively early stage of the bid, Tilling begins to examine the implications should BTR succeed.

Tilling's letter to its own shareholders will not be despatched until next week but, in the meantime, BTR's shareholders are asked to consider "how can such a massive and illogical expansion by acquisition be sensible."

The defence has no truck with the "contiguity" which BTR sees as linking many activities of the two groups, but the essential point Tilling attempts to raise with BTR shareholders is this: "You are being asked to pass a resolution approving adjusted, revised additional or other offers and you should presume that BTR will need to make further increases in its offer price if your board does not want to back down. If in the end some increased offer did succeed, there would be a huge number of BTR shares to be issued and liable to come on the market. What effects will this have on the BTR share price and for how long?"

Signed by the chairman, Sir Robert Taylor, and Sir Patrick Meaney, Tilling's chief executive, the letter was quickly capped by Mr Owen Green, Sir Patrick's opposite number at BTR.

Alluding to Tilling's "agitated behaviour," Mr Green said that "Tilling's attempts to make their conglomeration of businesses seem so different that it cannot yield to the application of the principles of sound business management, evidently arises from their having become captive of their own experience."

He adds: "I believe our shareholders will have the confidence to know that we will act in their best interests in this acquisition of Tilling."

Call for Sotheby's referral

A takeover of Sotheby's, the auctioneers, by the US-owned Knoll International would be a "tragedy for London and for Britain," Mr Peter Archer, Labour's trade spokesman, said yesterday.

He has sent a letter to Lord Cockfield, the Trade Secretary, urging that the takeover should be referred to the Monopolies and Mergers Commission for investigation.

This says there are grounds for concern about the nature of the bidding company, since its expertise lies in an entirely different field from that of art sales.

"A takeover of Sotheby's by Knoll International would threaten the merged company with an uncertain future and jeopardise the atmosphere of confidence, goodwill and trust around which Sotheby's business with its clients is constructed," the letter continues.

Lord Cockfield is expected to announce his decision on whether or not to refer the deal on Tuesday, one day before the first closing date.

Morgan Grenfell, the merchant bank which is advising the two U.S. businessmen, Mr Stephen Swid and Mr Marshall Cogan, said a referral "would destroy the Sotheby's business."

"The uncertainty already created has held back some major new sales and meant others have been withdrawn, Morgan Grenfell claimed.

price rose 5p to 510p yesterday.

Canadians take Marinex stake

BY CHARLES BATCHELOR

Canada Northwest Energy, the Canadian oil and gas company, has taken a 29.85 per cent stake in Marinex Petroleum, the UK oil and gas group, having earlier failed to gain full control.

Canada Northwest paid a total of £4.43m—55p a share—for 8.06m shares in Marinex. It bought 4.03m shares each from Mr John Kinard and Mr Andrew Fish, two of Marinex's directors. It said it does not intend to make a general offer for the UK group.

The City Take-over Panel stepped in last week to block a proposed full bid from Canada Northwest. The panel refused to approve a conditional agreement with Mr Kinard and Mr Fish which would have given the Canadian company 50 per cent control. This exceeded the 30 per cent level at which a full bid must be made.

Mr Dan Williams, managing director and the largest shareholder in Marinex with 6.98m shares, said he had not been involved in the discussions leading to the sale of the shares, and he did not know what Canada Northwest's intentions were.

Orion Royal Bank, which is advising Canada Northwest, said the share stake was "a strategic investment."

"I am satisfied that the new shareholder is a good company and has good people," said Mr Williams.

"Several years ago I said I did not want to continue as full-time managing director and we have made various attempts to find someone to take over.

Canada Northwest has made no proposal to appoint a board representative however. Marinex's shares, which are dealt under rule 163 (3), were changed at 60p yesterday.

Rockware in loan negotiations

BY RAY MAUGHAN

GLASS CONTAINER manufacturer, Rockware Group, has started negotiations with the Royal Bank of Scotland and a number of other banks for the provision of additional loan facilities. Rockware has agreed to grant a charge in the banks' favour over the assets of the group "where appropriate."

Mr Jim Craigie, chairman of Rockware, said yesterday that the negotiations would not be completed for some time, probably a couple of months, but the facilities would create "additional headroom." The new borrowings would be subordinated, he said, to existing group debentures.

The accounts for 1982, published yesterday, show net worth of £49.4m which supports borrowings of £34.23m and overdrafts of £5.3m. Over £9m drained out of the group last year as the debt financing burden shrank slightly to £4.61m. Pre-tax profits fell from almost £900,000 to £605,000 although Rockware lost £2.62m on a current cost basis.

In his report to shareholders, Mr Craigie says that "trading in the current year will be difficult" for the dominant glass manufacturing activities.

Finished stock climbed by £5.5m to £22.7m to a much higher level than would be otherwise desirable in anticipation of the "unusually high concentration of furnace re-builds" planned this year.

Whereas there was no rebuilding last year, "in view of the generally longer furnace lives and the necessity to cut back and delay on capital expenditure." Rockware expects to re-build 2½ of its 10 furnaces this year although total capital spending is not budgeted to rise much more than £1m to a little over £10m.

Sir Peter Parker takes over from Mr Craigie, on a non-executive basis, "as soon as his duties allow him to do so." He steps down from the BR chairmanship in September "but may be available before then if circumstances allow."

Bremner payout cut by half

Turnover of general warehouseman Bremner slipped from £3.9m to £3.8m and the taxable surplus for the year ended January 31 1983 was £103,000 down at £143,000.

With a reduced final payment of 1.7p (3.15p) net per 25p share, the total distribution is virtually halved at 2.2p (4.3p).

At halfway profits were down from £66,000 to £15,000, the directors said it was most likely that the full year result would be significantly lower.

After tax £21,000 (£92,000) earnings per share are shown as 2.2p (2.78p).

Good second half lifts Liberty to £0.7m—pays 3p

DESPITE A higher pre-tax loss of £439,000 at halfway, against £278,000, Liberty, retailer, merchant converter and wholesaler, came back in the second half and finished the year to January 31 1983 with higher taxable profits of £747,000, compared with £514,000.

After a tax credit of £276,000 (£239,000 charge) earnings per 25p share are well up at 11.55p (2.19p) and the dividend is boosted to 3p (2.4p) net with a final of 2.6p.

The directors' declared policy of controlled growth has manifested itself not only in the branch expansion programme in the UK and U.S., but also in the acquisition of 75 per cent of a long-established printworks in Tournon, France. The board considers that this in due course will provide an important source of specialised printing and dyeing, not only for the group but also for outside customers.

Sales of this close company for the year expanded to £29.06m (£23.74m), after VAT, and the pre-tax figure was after interest, £385,000 (£252,000).

A. Henriques well ahead at £144,665 for year

AS forecast at the interim stage, second half profits were similar to those of the first at Arthur Henriques, clothing manufacturer, and for the 1982 year the figure was £144,665 pre-tax, much higher than the £36,231 for the previous 12 months.

The taxable surplus at midway was £71,378 (£63,856) and directors said the year would show a substantial improvement over 1981.

Despite the recovery the directors feel that a more cautious dividend policy should prevail, and that an increase should be left until higher profits are achieved. As a result the distribution is maintained at 1.5p net per 10p share with a 1p (1.2p) final.

Turnover for 1982 dipped from £4.39m to £4.26m and profits were subject to a tax charge of £69,745, compared with a £10,353 credit. Extraordinary debits amounted to £6,850 (£10,731) leaving an attributable balance of £68,040 (£36,313).

Earnings per share are shown as ahead from 1.18p to 1.87p.

Results due next week

The shipping sector has performed below the market for most of 1982 and estimates of P & O's profits for the year due on Wednesday have been adjusted several times downwards, from £80m to around £34m, of which £4m or £5m could come from asset disposals. P & O has a sizeable fleet for sale. It has decided to withdraw from refrigerated shipping and has already withdrawn from its Mediterranean container service.

With the basic marine business looking so flat the brightest spot in P & O's business is Bovis, benefiting from an upturn in construction. It looks as though the cruising business is going to benefit from the Falklands factor. Bookings for the Canberra and Sea Princess are dramatically up this year. A useful contribution should also come from P & O Falco and its other oil trading activities.

The final dividend is likely to be maintained giving a net total of 10p. That would give a yield of just below 10 per cent.

Marks & Spencer made 1982-1983 the year of the employee when it instituted a 13 per cent wage rise last April—well ahead of its competitors—and this is a major reason why next Wednesday's annual results are unlikely to repeat the previous year's 22.6 per cent growth in pre-tax profits. A 10 per cent increase to around £245m looks more likely, with a similar rise in the dividend to give a total of 5p net. Staff numbers have also gone up, helping to push the growth in costs over that in sales. The effect of an earlier property revaluation points to an increase in the depreciation charge from £22.7m to £30m. The pickup in consumer spending which began in the second half of 1982 has been chiefly confined to consumer durables, so comparatively slight. Nevertheless, turnover should show a healthy increase on the back of Marks' success in introducing new products, especially food and homewares.

Company bankruptcies are still running high, so bad debt charges are likely to remain a significant burden for the Royal Bank of Scotland when it announces its interim results on Thursday. Forecasters expect provisions to decrease slightly from the second half to £15m, contributing to a 4 per cent increase in pre-tax profits to about £45m. The group's limited degree of diversification means it is particularly sensitive to falling UK interest rates. These are hound to put some pressure on domestic banking margins, but should also stimulate growth in lending volume by way of compensation. Customers may be less sensitive about leaving money in non-interest bearing accounts, which should lead to a slight improvement in the proportion of current to deposit accounts. On the basis that bad debt charges should decrease in the second half as the economy pulls further out of recession, a 14 per cent increase in the net dividend to 3.2p seems on the cards.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Associated Leisure	Tuesday	1.3	3.7	2.0
Ayrshire Metal Products	Friday	—	—	—
Bonusbond Holdings	Tuesday	—	3.5	—
Copydex	Friday	1.2	1.2	—
Deranakanda Rubber Estates	Thursday	1.0	2.0	1.0
Electra Investment Trust	Wednesday	1.4	1.6	1.54
European Ferries	Thursday	1.0	2.1	1.0
Fleming Far Eastern Inv. Trust	Friday	1.5	3.2	1.5
Folkes (John) Hefo	Wednesday	0.35	0.9	0.35
Foseco Minsep	Tuesday	2.65	4.35	2.65
French Kier Holdings	Tuesday	1.1	3.15	1.25
Gerrard and National	Wednesday	5.0	10.75	6.0
Hay (Norman)	Thursday	1.25	1.85	1.25
Jenks and Cattell	Tuesday	0.5†	0.5†	1.0‡
London United Investments	Wednesday	4.0	6.0	5.0
Marks and Spencer	Wednesday	1.75	2.85	1.85
Marshalls Universal	Wednesday	—	0.1	—
Midland Marts Group	Tuesday	—	—	—
Mulees Leisure Shops	Wednesday	2.95	4.0	2.95
Menzies (John)	Wednesday	2.0	7.625	2.1
Newman and Peacock	Wednesday	1.125	1.575	1.3
Oceana Development Inv. Trust	Wednesday	—	0.65	—
Save and Prosper Linked Inv. Trust	Friday	7.89	7.27	8.78
Smith St Aubyn	Wednesday	4.5	—	1.5
Sound Diffusion	Thursday	—	0.7245	—
Stewart Enterprise Investment	Friday	0.2	0.2	—
Tern Consulate	Friday	0.7	1.8	—
Tootal Group	Tuesday	1.1	1.25	1.1
Walker (J. O.)	Wednesday	—	1.0	1.0
Ward White	Tuesday	1.4	2.8	1.4
Warnford Investments	Wednesday	5.5	6.5	5.5
INTERIM DIVIDENDS				
Aberdeen Trust	Tuesday	1.58333	2.8	
Anglo Scottish Investment Trust	Thursday	0.9	1.8	
North Midland Construction	Thursday	0.65	1.75	
Pearce (C. H.)	Tuesday	4.25	2.75	
Royal Bank of Scotland Group	Thursday	2.2	3.9	
Sungei Bahru Rubber Estates	Thursday	0.5	—	
Wemyss Investment Trust	Wednesday	7.0	13.0	
INTERIM FIGURES				
Barton Transport	Thursday			

* Dividends are shown net pence per share and adjusted for any intervening [illegible]

Titaghur drops £5m in the red

For the year ended June 30 1982 Titaghur Jute Factory suffered taxable losses of £5.09m, despite a £16,070 profit from the UK operations. This is compared with overall profits of £574,175 last time.

Turnover in India amounted to £30.43m, against £29.47m and the tax charge was £3,460 (£3,658), after which loss per share is given as 386.78p (37.97p earnings).

There was an extraordinary credit for the period of £86,005 (nil).

No dividends have been paid on the ordinary shares since

L. Ryan better trend

FIRST-QUARTER results of plant hire contractor and coal factor L. Ryan Holdings, overall were encouraging being better than budget and well ahead of the corresponding period, Mr J. W. Sutherland, chairman, told members at the annual meeting.

Results of the group's UK operations were disappointing, however, and well below expectations, he stated.

He explained that the UK side had been interrupted in the opening three months as a result of severe icing in February and by a stoppage throughout south Wales created at the time of the strike by mineworkers.

He added that it was too early to forecast accurately the balance unlikely "that this leeway will be made good." He said, however, that operations would remain profitable for the year as a whole.

Operations in Belgium had continued to register progress and produced an excellent result for the first quarter, Mr Sutherland stated.

Commercial progress continued to be made in the U.S. with sales steadily increasing. In the opening period, however, the effect of the national strike by truckers in February, unfortunately cancelled out profits of the other two months at venture level, although the subsidiary was only adverse to budget to a minor degree, the chairman [illegible]

Towles leaps to £375,000: raises dividend

Hosiery and knitwear manufacturer Towles moved ahead from taxable profits of £151,000 to £375,000 in the 12 months to February 28 1983, on higher turnover of £12.3m compared with £10.98m.

The year's single dividend payment is being increased from 2.1p to 2.4p net. Earnings per 10p share are given higher at 15.18p (5.5p).

The pre-tax figure was struck after interest payable of £63,000 (£25,000), depreciation of £166,000 (£174,000), directors' emoluments of £101,000 (£[illegible]) and auditors remuneration [illegible]

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

British Electric Traction finally unveiled the terms of its agreed bid for the 36.1 per cent of Rediffusion it does not already own. BET is offering five of its own shares for every three Rediffusion, valuing the latter's shares at 392p each. BET sees excellent prospects for electronic home entertainment, video and cable over the next few years and is confident that Rediffusion, the largest UK operator of cable television, is far ahead of its rivals.

Wolverhampton and Dudley Breweries made its third and final offer, now worth £26m, for Davenport's. Wolverhampton has upped its offer to four of its own shares plus £4.75 cash for every five Davenport's, but was again rejected. Davenport's is 30 per cent-owned by the Davenport charitable trust and this could be the key to the latest bid's success or failure.

James Austin Steel agreed to an increased offer of 92p per share from Trumanns Steel for the 3.34m shares of Austin not already owned. The offer values the company at £4.14m.

Fenton Hill agreed to sell its 76.2 per cent stake in Bellair Cosmetics to Wasskon, an investment company based in Liechtenstein, for 9p per share cash after having given a warning that the disposal price was considerably below the current share price. In the event, the shares, suspended on Monday at 78p prior to the announcement, moved up to 100p in resumed dealings on Thursday on thoughts that the company would receive a cash injection as part of a "shell operation," and yesterday advanced to 210p.

Despite the last-minute intervention by Linfood, **Fitch Lovell** went ahead and sold its Key Markets retailing chain to Safeway Food Stores for £34.8m. Linfood has bid £75m for Fitch Lovell last autumn, but the bid lapsed after being referred to the Monopolies Commission.

On Thursday, **Charles Baynes**, the hacksaw blade manufacturer, announced that it had received an approach which may lead to a bid. More than one party is understood to have expressed interest in a deal, although the Board through family and friends holds a controlling stake in the equity.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Aberthaw Cement	752§	640	420	21.62	Blue Circle
Alpine Hldgs	143	144	97	16.45	Kean & Scott
Andrsn Strthclyde	200*	196	179	94.83	Charter Cons
Anglo Met	90●	90	80	5.31	Atlantic Met
Austin (E.)	60*	35	50	2.54	Caparo Inds
Austin (James)	92*§	90	64	4.14	Trumans Steel
Barton Group	42½*§	38	32	10.20	Caparo Industs
Bell & Sime	160*§	155	136	0.45	Fleming (J.)
Benn Bros	177	188	150	11.87	Utd Newspapers
Bilton (P.)	249½	280	262	93.35	Trust Sec
Brotherhood (P.)	13½*	13	26	0.61	Thermo Electron
Crest Int	13	12½	13	4.60	Kwik-Fit
Davenport Brwy	328§§§	317	246	26.6	Wolv Dudley
Dollands	37½*	170	70	0.15	A. P. Ward & N. Fetterman
Edin & Gen Ins	23	22	13	5.01	Mills & Allen Intl
Heal	£38*	36	£16	4.80	Habitat Mthrcare
Highgate Optical	23*	60	35	0.47	Exent
Jeavons Eng	79	72	62	4.42	Newman-Tonks
Leisure Inds	406	378	290	8.12	Riley Leisure
Longs Hambly	10*‡	9½	9	0.21	Tarmac
Rediffusion	380§	368	353	113.19	BET
RTD	16*	19	14	0.30	East Anglian Secs
Saxon Oil	131§	165	66	17.72	Clyde Pet
Sotheby P.B.	520*	510	490	59.7	Felt Ind/Knoll Int
Steetley	198	215	153	121.1	Hepwrth Ceramic
Sunrie	60*§	95	70	0.95	Afcor Invs
Surmah Vlly Tea	148‡‡	125	123	1.18	Rightwise
Tilling (T.)	203	190	176	590.7	BTR
Trident Tv A	83½§§	99	104½	1.28	Pleasurama
UDS	130*	134	89	247.9	Bassishaw Invs
UDS	135	134	110	257.4	Hanson Trust
W. Coast & Texas	141*§	152	141	4.23	English Assoc.

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on April 29 1983. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ● Loan stock alternative.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Aero Needles	Dec	263	(557)L	3.9	(—)	—	(—)
Allebone & Sons	*Jan*	91	(700)L	1.0	(—)	0.5	(—)
Blackwood Hodge	Dec	3,690L	(92)L	—	(—)	0.5	(1.25)
Blue Circle Inds	Dec	90,000	(104,100)	52.6	(48.1)	19.25	(17.5)
Bodycote Intl	Dec	812	(917)	6.4	(9.0)	3.0	(4.0)
Boosey & Hawkes	Dec	549	(66)	3.4	(—)	2.3	(1.9)
Border Breweries	Feb	932	(938)	10.2	(11.6)	5.3	(5.2)
BSG Intnl	Dec	1,290L	(320)	—	(—)	0.1	(0.1)
Caird (A)	Jan	146L	(216)L	—	(—)	0.5	(1.25)
Carpets Intnl	Dec	5,580L	(2,390)L	—	(—)	—	(—)
Clement Clarke	Dec	2,790	(1,620)	23.2	(13.7)	4.38	(3.0)
Clive Discount	March	1,850	(1,090)	—	(—)	3.2	(1.6)
Davies & Newmn	Dec	3,320	(342)	57.0	(1.0)	10.0	(3.0)
De Vere Hotels	Dec	1,000	(538)	5.2	(4.1)	6.0	(6.0)
Downiebrae	Dec	54	(221)L	0.6	(—)	—	(0.3)
EIS	Dec	3,160	(2,820)	—	(—)	5.0	(4.5)
Elbar Industrial	Dec	2,310L	(2,260)L	—	(—)	—	(—)
Farnell	Jan	10,440	(7,810)	8.5	(6.6)	2.0	(1.55)
Francis Inds	Dec	24	(1,740)	0.7	(13.7)	2.0	(5.0)
Flight Refuelling	Dec	3,750	(3,020)	13.6	(10.9)	3.02	(2.6)
Grampian TV	Feb	768	(642)	12.3	(13.1)	3.6	(3.25)
Hammerson Prop	Dec	20,400	(15,060)	21.2	(15.6)	13.0	(11.0)
Helene of London	Dec	543	(504)	1.4	(1.5)	1.48	(1.48)
Hoskins & Horton	Dec	524	(451)	17.0	(16.4)	6.0	(5.0)
House of Fraser	Jan	33,190	(28,030)	15.1	(16.3)	7.5	(7.0)
Hunting Assoc	Dec	4,370	(6,400)	20.4	(34.4)	5.0	(5.0)
Hyman (I.J.)	Dec	424L	(346)L	—	(—)	0.1	(0.1)
Jessel, Toynbee	April	2,170†	(580)†	16.5	(4.4)	5.5	(5.0)
Laing (John)	Dec	1,350	(6,190)	—	(14.7)	2.88	(2.88)
Lilleshall	Dec	44L	(100)L	—	(—)	1.0	(2.5)
Lunuva Ceylon	Dec	367	(369)	24.6	(27.8)	33.0	(33.0)
Marlborough Prp	Dec	510	(471)	1.6	(1.5)	0.45	(0.41
Menzies (John)	Jan	10,500	(9,400)	27.9	(28.2)	5.0	(4.5)
Nash (William)	Dec	425	(169)L	8.4	(—)	11.0	(—)
Neill (James)	Dec	574L	(1,000)L	—	(—)	—	(—)
Newman Ind	Dec	349	(4,110)L	—	(—)	—	(—)
OEM	Dec	2,120	(2,659)	20.9	(25.0)	7.5	(7.5)
Pearson (S)	Dec	59,900	(59,500)	33.1	(62.9)	11.2	(11.2)
Pergamon Press	Dec	22,390	(9,270)	—	(—)	—	(—)
Petrocon	Dec	1,010	(948)	15.2	(14.0)	3.75	(2.5)
Photax (London)	Dec	296L	(409)	—	(13.5)	—	(3.5)
Platignum	Jan	860L	(616)L	—	(—)	—	(0.01)
Polymark	Dec	475	(107)L	—	(—)	—	(—)
Rush & Tomkins	Dec	2,310	(1,710)	16.4	(12.3)	6.0	(4.25)
Shiloh	March	510	(166)L	14.0	(—)	2.0	(—)
Simon Engng	Dec	20,660	(20,330)	51.1	(53.6)	13.25	(12.6)
Silentnight	Jan	5,230	(5,110)	10.0	(10.8)	2.5	(2.6)
Solicitors Law	Dec	445L	(739)L	—	(—)	—	(—)
Stylo	Jan	770	(824)	5.9	(6.4)	3.5	(3.5)
Tarmac	Dec	68,700	(52,100)	35.9	(32.9)	11.0	(9.2)
Telephone Rntls	Dec	12,730	(13,830)	9.4	(19.4)	5.0	(4.63)
Thomson T-Line	*Dec*	*300L*	*(514)L*	—	(—)	—	(—)
Travis & Arnold	Dec	7,490	(5,370)	43.7	(31.3)	5.46	(4.33)
Turriff Corp	Dec	2,030	(1,796)	41.0	(33.7)	5.8	(5.0)
Whatman Reeve	Dec	2,520	(1,900)	28.0	(28.2)	6.0	(5.0)
Wimpey (Geo)	Dec	45,700	(42,700)	15.1	(19.0)	3.0	(2.8)
Wire & Plastics	Dec	222	(315)	3.0	(5.9)	1.9	(2.07)
Wingate Prop	Dec	424	(343)	3.3	(2.7)	—	(—)
Yole Catto	Dec	6,580	(5,920)	12.0	(11.6)	3.0	(2.5)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividen per share (p)	
Audio Fidelity	Oct	179L	(189)L	—	(—
Dunton Group	Nov	43	(7)	—	(—
Energy Capital	June	83L	(137)L	—	(—
Five Oaks Invs	Dec	73L	(79)	—	(—
Gallaher	March	30,000‡	(23,600)‡	—	(—
Hwkins & Tipson	Feb	57L	(557)L	—	(—
Hoover	March	736‡	(1,920)‡	—	(—
ICI	March	128,000‡	(62,000)‡	—	(—
Lnd Prov & Shop	Dec	580	(431)	0.75	(0.6
Lyles (S)	Dec	271	(257)	2.5	(2.5
Nth Brit Props	Jan	311	(403)	1.1	(1.1
Pleasurama	March	9,220	(3,000)	1.75	(0.8
Pochins	Nov	256	(201)	0.88	(0.8
Samuelson Group	Sept	628	(353)	—	(—
Samuel Props	Dec	1,650	(1,540)	1.43	(1.3
Simpson (S)	Jan	373	(235)	1.31	(1.3
Tricentrol	March	11,300‡	(12,600)‡	—	(—

(Figures in parentheses are for the corresponding period)
* Dividends are shown net except where otherwise sta
† Net profits. ‡ First quarter figures.

Rights Issues

EIS Group is raising £3.754m via a one for five rights issue 125p per share.
Electro-protective is raising £10,013m by way of a rights issue the basis of one for five at 155p per share.
Spirax-Sarco Engineering is making a one for four rights is at 178p per share to raise £16.65m.

Offers for sale, placings and introductio

Boase Massimi Pollitt offer for sale by tender of 1,514,081 ordin shares at a minimum price of 280p per share.
Edmond Holdings is coming to the Stock Exchange via a plac of 15.6m ordinary 10p shares at 14½p per share.
Securiguard Group is joining the Unlisted Securities Mar through a placing of 1.49m shares at 134p per share.
Securities Trust of Scotland issue of £5m of 12 per cent debent stock 2013 by means of an underwritten placing. The stock been issued at £99.783 per cent.
Trafford Park Estates is issuing £3m first mortgage debenture st 2007/10, payable as to £25 per £100 nominal on acceptance a as to the balance by August 31, 1983.

Scrip Issues

Davies and Newman Holdings—one for eight.
George Wimpey—one for ten.

EUROPEAN OPTIONS EXCHANGE

Series	May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
[illegible]							
RO C F.120	1099	4.80	225	6.20	27	7.50	"
RO P F.90	63	0.30	—	—	—	—	"
RD P F.100	35	0.90 A	2	2.50	—	—	"
RO P F.110	115	2.40	18	0.50	17	7	"
RO P F.100	366	7.10	4	9.50	—	—	"
UNIL C F.200	2	16	—	—	—	—	F.214.70
UNIL C F.220	15	6.50	11	10	—	—	"
UNIL C F.240	16	2	17	5.70 B	—	—	"
UNIL P F.190	2	.2	—	—	—	—	"
UNIL P F.200	13	4.50	10	2.50	—	—	"
UNIL P F.220	3	15.90	—	—	—	—	"
	May		Aug.		Nov.		
10¾ NL 81 87-91							
C F.186	—	—	50	3.40 A	—	—	F.187.70
C F.187.50	40	0.70	20	1.40	—	—	"
C F.150	—	—	—	—	25	1.50	"
P F.120.50	—	—	500	1	—	—	"
P F.129	—	—	40	1.60	—	—	"
P F.127.50	431	1.50	24	2.80	—	—	"
P F.130	700	3 A	365	4.80	1	0.50	"
P F.155	10	8	—	—	—	—	"
11¼ NL 82 88-00							
C F.112.50	20	0.70 A	—	—	—	—	F.112.30
P F.117.50	90	5.90	—	—	—	—	"
7¾ NL 82 89-03							
C F.27.50	—	—	1328	1.10	—	—	F.07.20
C F.100	00	0.30	100	0.40 A	—	—	"
P F.97.50	—	—	1585	2	—	—	"
7½ NL 83 87-90							
P F.97.60	—	—	258	1.80	—	—	F.97

TOTAL VOLUME IN CONTRACTS 14,508

A=Asked B=Bid C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	10 %	Grindlays Bank	‡10 %
Al Baraka International	10 %	■ Guinness Mahon	10 %
Allied Irish Bank	10 %	■ Hambros Bank	10 %
Amro Bank	10 %	Heritable & Gen. Trust	10 %
Henry Ansbacher	10 %	■ Hill Samuel	§10 %
Arbuthnot Latham	10 %	C. Hoare & Co.	†10 %
Armco Trust Ltd.	10 %	Hongkong & Shanghai	10 %
Associates Cap. Corp.	10 %	Kingsnorth Trust Ltd.	12 %
Banco de Bilbao	10 %	Knowsley & Co. Ltd.	10½%
Bank Hapoalim BM	10 %	Lloyds Bank	10 %
BCCI	10 %	Mallinhall Limited	10 %
Bank of Ireland	10 %	Edward Manson & Co.	11½%
Bank Leumi (UK) plc	10 %	Midland Bank	10 %
Bank of Cyprus	10 %	■ Morgan Grenfell	10 %
Bank Street Sec. Ltd.	10½%	National Westminster	10 %
Banque Belge Ltd.	10 %	Norwich Gen. Tst.	10 %
Banque du Rhone	11 %	P. S. Refson & Co.	10 %
Barclays Bank	10 %	Roxburghe Guarantee	10½%
Beneficial Trust Ltd.	11 %	Royal Trust Co. Canada	10 %
Bremar Holdings Ltd.	11 %	Slavenburg's Bank	10 %
Brit. Bank of Mid. East	10 %	Standard Chartered	‖10 %
■ Brown Shipley	10½%	Trade Dev. Bank	10 %
Canada Perm't Trust	11 %	Trustee Savings Bank	10 %
Castle Court Trust Ltd.	10½%	TCB	10 %
Cayzer Ltd.	10 %	United Bank of Kuwait	10 %
Cedar Holdings	10 %	Volkskas Intl. Ltd.	10 %
■ Charterhouse Japhet	10 %	Westpac Banking Corp.	10 %
Choulartons	11 %	Whiteaway Laidlaw	10½%
Citibank Savings	¶10 %	Williams & Glyn's	10 %
Clydesdale Bank	10 %	Wintrust Secs. Ltd.	10 %
C. E. Coates	10½%	Yorkshire Bank	10 %
Comm. Bk. of N. East	10 %		
Consolidated Credits	10½%		
Co-operative Bank	*10 %		
The Cyprus Popular Bk.	10 %		
Duncan Lawrie	10 %		
E. T. Trust	10½%		
Exeter Trust Ltd.	11 %		
First Nat. Fin. Corp.	13 %		
First Nat. Secs. Ltd.	13 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8.75%, 1-month 7.00%. Short-term £8,000/12-months 8.35%.
† 7-day deposits on sums of: under £10,000 6¾%, £10,000 up to £50,000 7¼%, £50,000 and over 8¼%.
‡ Call deposits £1,000 and over 6¾%.
‖ 21-day deposits over £1,000 7½%.
§ Demand deposits 6¾%.

APPOINTMENTS

Scottish & Newcastle makes board changes

Following the appointment from May 1 of Mr Alick Rankin as *group managing director* of SCOTTISH & NEWCASTLE BREWERIES the board has made the following appointments and allocation of responsibilities of group executive directors: Sir Hew Hamilton-Dalrymple, vice chairman, responsible for corporate affairs; Dr Bernard Kilkenny, chairman of Scottish and Newcastle Beer Production and associated companies and activities, chairman of Thistle Hotels and of William Younger and Co; Mr Gavin Reed, chairman of The Newcastle Breweries and of McEwan-Younger; Mr Christopher Chalmers, finance and services director; Mr Alastair Mowat, chairman of Scottish Brewers and marketing director.

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Mr Christopher G. Lynch, has joined DOWSETT PREPAKT as overseas director. Previously he spent six years as area manager for Kuwait's principal foundation engineering contractor.

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The following have been made members of the executive board of the GEORGE WIMPEY GROUP. Mr Joseph A. Dwyer, chairman of the Wimpey Asphalt Group embracing Wimpey Waste Management and Robert Hobbs; chairman of Wimpey Industrial Services; and a director of Wimpey Construction UK responsible for the co-ordination and business development of all housing works for local authorities and housing associations throughout the UK. Mr Roger W. Grey, group chief solicitor. Mr David F. G. London, a director of Wimpey Group Services; he is also a director of Wimpey Construction UK and has special responsibility for open cast coal mining in the UK. Mr Peter D. Whitehouse, managing director of Wimpey Homes Holdings. He is a director of Wimpey Construction UK.

Mr Andrew Caldecott has joined the board of WHITBREAD AND CO. as a non-executive director. He is a vice-chairman of Kleinwort Benson and a director of Kleinwort Benson Lonsdale. Among other appointments he is also chairman of the M and G Group of Unit Trusts, a director of the Equitable Life Assurance Society and a director of Chloride Group.

Economic Diary

TUESDAY: National Coal Board annual statement. Mr Michael Foot, Leader of the Opposition, opens new NUR headquarters in Euston Road. Council of Europe ministerial conference on unemployment in Paris. Australian Parliament reconvenes. U.S.-Chinese talks in Peking on double taxation treaty resume. Commons environment Select Committee on "Problems of urban management renewal. Witnesses: National Westminster Bank and the London Committee of Clearing Banks. (Room 16, 4.15 pm).

WEDNESDAY: UK official reserves for April. Bank of England gives figures for capital issues and redemptions (during the month of April). Department of Energy issues energy statistics for March. West German Chancellor Helmut Kohl to present policy statement. Venezuela and Group of 12 meet in New York on debt rescheduling. P. and O.'s preliminary figures. Confederation of Shipbuilding and Engineering Unions delegate conference on job cuts at Park Hotel, Tynemouth. Building Societies Association annual conference in Bournemouth (until May 5). British Airways results. Publication of the Kohn/Ferry International annual board of directors study. COHSE statement on campaign against privatisation of the National Health Service. First closing date for Mr Swid and Mr Cogan's offer for Sotheby's. Commons Transport Select Committee on "Bus subsidy." Witnesses: Association of County Councils and the Association of District Councils (Room 17, 4.15 pm).

THURSDAY: Polling in local elections in England and Wales. Ford UK chairman, Sam Toy attends Birmingham Chamber of Commerce lunch at Edgbaston cricket ground. Mr Edwin Meese, Counsellor to President Reagan, gives Mountbatten memorial lecture on "Europe-American relations" at the Cambridge Union. National Association of Pension Funds annual conference at the Metropole Hotel, Brighton (until May 8). Monadnock hold conference on "Successful joint ventures in Egypt" at the Press Centre, EC4 (until May 6).

FRIDAY: Department of Employment issues provisional figures for unemployment and unfilled vacancies for April. Final car and commercial vehicle production for March announced by Department of Industry. Civil Service unions make statement on the restructuring of the Property Services Agency. STOLport inquiry at Albert Dock Basin, Woolwich.

Granville & Co. Limited
(formerly M. J. H. Nightingale & Co. Limited)
27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

Over-the-Counter Market

1982-83 High	1982-83 Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	134	—	6.4	4.8	7.8	10.2
158	117	Ass. Brit. Ind. CULS	152	—	10.0	6.6	—	—
74	57	Airsprung Group	62xd	—	6.1	9.8	17.7	17.7
48	30	Armitage & Rhodes	30	—	4.3	14.3	3.3	5.9
325	197	Bardon Hill	325	—	11.4	3.5	13.7	17.2
145	100	CCL 11pc Conv. Pref.	145	+1	15.7	10.8	—	—
270	210	Cindico Group	210	—	17.6	8.4	—	—
86	50	Deborah Services	50	—	6.0	12.0	3.3	8.9
97½	77	Frank Horsell	97½	+1½	—	—	8.1	8.7
96	75½	Frank Horsell Pr Ord 87	96	+½	8.7	9.0	10.7	11.4
83	61	Frederick Parker	62	—	7.1	11.5	3.9	6.2
55	34	George Blair	34	—	—	—	5.8	12.3
100	74	Ind. Precision Castings	77	—	7.3	9.5	9.8	12.4
165	100	Isis Conv. Pref.	166	—	15.7	9.5	—	—
146	94	Jackson Group	146	—	7.5	5.1	4.5	9.3
216	111	James Burrough	216	+2	9.6	4.4	15.8	17.6
280	149	Robert Jenkins	152	—	20.0	18.2	1.7	24.1
83	54	Scruttons "A"	69	—	5.7	8.3	5.0	10.8
167	112	Torday & Carlisle	114	—	11.4	10.0	5.1	8.8
29	21	Unilock Holdings	26	—	0.46	1.8	—	—
85	64	Walter Alexander	67	+1	6.4	9.6	4.8	6.9

CONTRACTS

Rush & Tompkins wins £8m building order

Contracts worth £8m have been awarded to RUSH & TOMPKINS for a centre-city redevelopment in Bristol, shops and offices in Hamilton, Scotland, a bypass round Blandford, Dorset, an infill scheme at Wandle Valley, Merton and road work schemes in Derby and Ballachulish, Scotland. In Bristol, a £1.4m contract has been awarded by Rush and Tompkins Developments for the first phase which will provide 25,000 sq ft of shops and offices when completed in December. 88,000 sq ft will be available when the whole project is completed. Work on shops and offices on behalf of Mont Developments in a fast developing commercial area of Hamilton, Scotland, will start next month. The £1.1m contract to demolish and fill in the northern sector of the Wandle Valley Sewage Works for the London Borough of Merton has already started. The site lies alongside the River Wandle and covers 15.5 acres.

Rush & Tompkins beat eight other tenders to win the £3.9m contract to build a bypass south of Blandford for the Dorset County Council. Local residents have been pressing for this project for years and the 7.3 metres wide carriageway will bring relief to the Georgian town centre. A 2.7 km single carriageway road will link a major housing estate in Derby to an existing roundabout on the Raynesbury link road. The £720,000 contract for the David Adams group will be "adopted" by the Derby City Council and 3,900 homes will benefit. The Highland Regional Council, Inverness, has awarded a £1.3m contract for work on the A82 Glasgow to Inverness road at Ballachulish.

★

The fabrications group of LUCAS AEROSPACE, Burnley, has received a $4m (£2.7m) order for Harpoon anti-ship missile capsules for the Royal Navy from McDonnell Douglas of U.S.

★

GOODALL BARNARD, Basingstoke, has been awarded six contracts totalling almost £4.3m. Largest is a £1.3m residential project for the Northborough Housing Association in Slough, where the company will also be building a £700,000 office scheme for Westminster and Country Properties and a £400,000 extension to Westgate School for Berkshire County Council. At Aldershot there is a £600,000 *refurbishment* contract for the PSA/DOE, near Alton a £700,000 hostel for the Lord Mayor Treloar Trust and at Oakley, near Basingstoke, a £600,000 speculative housing scheme for the company's own development department. Work has started on all but one site.

★

The UK Atomic Energy Authority acting for British Nurlem Fuels has awarded a contract worth over £150,000 to S. WERNICK AND SONS for 700m sq.metres instrument workshop building at its Chapelcross works, Annan, Dumfriesshire. Designed for minimum maintenance by the architects department, UKAEA, the single-storey structure will be clad externa in Colourcote steel, w aluminium-frame, double-gla windows. The contract cov foundations, decorating, fl coverings, electrics, plumbi drainage and heating. The c tract time is 28 weeks.

★

MATTHEW HALL NORCA ENGINEERING has be awarded a contract to provi engineering design and procu ment services in connection w a $25m expansion at Conoc Humber refinery, Immingham

LONDON TRADED OPTIONS

Option	Calls July	Calls Oct.	Calls Jan.	Puts July	Puts Oct.	Puts Jan.
Brit. Petroleum (*398)						
500	110	116	—	2	3	—
330	80	86	—	4	7	—
360	54	64	72	0	12	16
390	34	44	52	10	24	24
Cons. Goldfields (*542)						
690	162	—	—	0	—	—
420	132	—	—	3	—	—
460	92	110	—	0	10	—
500	02	74	82	14	25	34
550	30	43	60	38	43	55
600	11	07	—	07	—	—
Courtaulds (*89)						
70	22	24	—	1½	2	—
80	13	15	18	6	5	4
20	7	8	11	5	a	11
100	4	6½	6	14	10	18
Commercial Union (*157)						
120	40	44	—	1½	1½	—
130	61	65	—	2	6	—
140	24	28	31	3	4	8
160	10	16	01	11	13	16
G.E.C. (*228)						
180	62	66	—	2	6	—
200	42	48	—	6	8	—
200	06	34	44	11	16	22
240	17	24	34	20	28	30
200	8	—	—	54	—	—
Grand Met. (*347)						
280	74	—	—	2	—	—
300	54	62	—	4	0	—
330	30	37	46	a	14	16
300	15	22	22	26	26	07
3ap	0	10	—	40	40	—
I.C.I. (*470)						
380	160	—	—	2	—	—
660	120	120	—	2	6	—
520	20	95	—	5	6	—
420	64	72	84	8	12	17
460	32	46	58	10	24	50
500	12	00	38	42	48	02
Land Securities (*318)						
260	63	70	—	2	—	—
280	43	50	—	3	6	—
500	25	34	43	7	12	10
350	11	21	08	20	20	08
Marks & Spencer (*220)						
180	45	51	—	6	4	—
000	29	34	41	7	11	12
280	10	80	30	15	17	22
240	7	—	—	25	—	—
Shell Transport (*496)						
390	118	125	—	2	3	—
420	88	22	—	3	0	—
460	48	08	68	8	10	00
500	28	38	48	24	50	34
550	12	00	—	58	64	—

Option	Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
Barclays Bank (*489)						
360	135	147	—	1	2	—
390	105	117	—	2	0	—
420	77	20	105	2	0	2
400	35	51	73	5	17	25
500	10	08	45	20	ae	40
Imperial Group (*116)						
20	27	—	—	1	—	—
100	17	—	—	1½	—	—
110	8	14	16	2	5	6
120	3½	7	2	7	0	10
130	1	4	5	15	16	12
LASMO (*328)						
210	120	132	140	1	3	3
230	100	112	123	1	4	4
250	80	92	105	2	6	10
270	60	77	20	3	8	15
290	40	58	—	7	12	—
300	—	—	62	—	—	20
320	16	42	—	15	25	—
330	—	—	48	—	—	30
350	6	—	—	—	—	—
Lonrho (*94)						
80	15	17	19	1	2	3
20	6½	10	11	a	5	7
100	2	0½	6½	8	11	13
P. & O. (*152)						
100	54	55	—	0¼	1	—
110	44	45	—	0½	2	—
120	34	35	37	1	2	4
130	24	20	28	1½	3	0
140	10	12	22	3	7	12
160	6	8½	14	14	00	25
Racal (*477)						
420	05	82	22	0	6	15
460	27	50	67	10	17	30
000	a	30	47	28	40	47
050	5	14	—	75	75	—
600	1	5	—	125	120	—
650	1	—	—	175	—	—
R.T.Z. (*567)						
600	200	—	—	0½	—	—
420	170	175	—	0½	—	—
460	130	155	—	0½	3	—
500	90	25	114	2	8	17
550	40	60	75	7	22	32
000	14	35	50	27	42	52
Vaal Reefs (*$112)						
80	—	—	—	1	—	—
90	25½	27	22½	1	2½	5
100	13½	12	23½	1¾	5	9
110	0	15	19½	4½	9	15½
120	2	10½	14½	10	14½	18
130	1	5	10	12	—	24
140	1¼	6½	7	—	—	—

Option	Calls June	Calls Sept.	Calls Dec.	Puts June	Puts Sept.	Puts Dec.
Beecham (*401)						
660	50	65	77	4	7	10
380	50	50	57	13	20	25
420	14	30	40	30	55	42
Guest Keen (*165)						
140	31	34	40	2	0	8
100	15	21	20	a	10	14
180	5	12	15	20	22	25

Apr. 29 Total Contracts 2,309 Calls 1578 Puts 721
* Underlying security price.

WORLD STOCK MARKETS

Profit-taking checks Wall St

EARLY FIRMNESS attracted some weekend profit-taking on Wall Street yesterday, although analysts said the market still looked healthy.

The Dow Jones Industrial Average Thursday closed at a record high of 2119.52 and gained another three points at yesterdays outset. It lost ground in the second hour and was off 2.90 at 1216.62 by 1 pm, reducing its rise on the week to 20.32. The NYSE All Common Index, at $93.58, was up 8 cents on the day and $1.43 on the week. Advances held their lead over declines by a ratio of seven-to-six, and volume totalled a substantial 50m shares.

Analysts said some profit-taking is to be expected after the market's performance over the past three weeks, during which the Dow rose more than 100 points.

However, the forces which drove the rally—lower interest rates and an improved economic outlook—remain in place and could prevent any substantial correction at this point. Wall Street's enthusiasm for the economy gained more fuel yesterday from the report of a 1.5 per cent rise in the Leading Economic Indicators for March, their seventh consecutive monthly gain.

Blue Chips with declines included International Harvester, off $1¾ to $9⅞, American Express $1¾ to $67, Procter and Gamble $1 to $60½ and IBM $[illegible] to $116[illegible].

THE AMERICAN SE Market Value Index firmed 0.74 to 424.08, making a rise of 7.15 on the week. Volume 7.23m shares.

Canada

Stocks were mixed at mid-session, with the Toronto Composite Index off 5.8 points at 2,327.7.

The Gold Share Index lost 23.8 to 4,295.4, Oil and Gas 16.5 to 3,104.4 and Banks 2.22 to 513.49. But Metals and Minerals put on 7.0 to 2,129.6.

Closing prices for North America were not available for this edition.

Massey-Ferguson, the most active industrial, moved up $⅞ to $6¼ on its prediction that it is in a position to break even.

Bell Canada eased $⅜ to $27¾ in active trading—Thursday it announced the completion of its Corporate reorganisation.

Germany

Mixed in brisk trading.

Brokers spoke of continued positive sentiment on the favourable March trade and current account surpluses posted by West Germany in March. Market participants ventured that shares should begin moving up again next week, barring a serious set-back on Wall Street.

Companies that recently offered dollar Eurobonds with Share Warrants again saw their stock value rise, and Degussa were particularly strong. Thursday it launched a $50m Eurobond entitling buyers of each $1,000 worth to four shares. Degussa's stock ended DM 6 higher at DM 326.50, after rising to 335.

BHF-Bank and Siemens, also recent issuers of Bonds with Warrants, rose DM 1 to DM 311 and DM 3.70 to DM 365.20 respectively.

Banks were mixed.

Bayern Verein moved up DM 4.50 to 371 after reporting substantially higher first quarter operating profits.

Motors were also mixed, with VW failing DM 5 to DM 184 after news of its DM 300m loss last year. But BMW advanced DM 3.50 to DM 345.50.

In Electricals, small orders pushed AEG to DM 67.50, up DM 3.40, while BBC ended DM 2.50 higher at DM 201.50 on news that the problems that led to last year's lower profits have now been covered.

After a firmer start, major Chemicals slipped. Hoechst settled at DM 149.50, off DM 0.30, pending first quarter figures due next week.

Australia

Prices rallied in quiet trading. The All Ordinaries Index was 4.9 up at 592.2. The All Industrials 5.1 at 741.5 and the All Resources 4.7 at 471.9.

Brokers said investors were still hesitant resulting in a small turnover. Overseas buying subsided.

Golds were mixed with Peko 20 cents up at A$6.80 and GMK 10 cents up at A$9.70, but Emperor lost 5 cents to A$2.45.

Oil and Gas stocks were generally easier.

Banks firmed.

Transports improved marginally. P and O Australia rose 5 cents to A$2.10.

Rothmans further advanced 24 cents to A$7.14.

Coals were mixed, Sugars steady, while Building Industry issues were firmer.

Hong Kong

Mixed after a late rise in response to an easing of worries that local interest rates would be increased again.

The Hang Seng Index, down in the morning, finished up 6.82 at 1,019.56.

Brokers said that concern over the weak Hong Kong dollar, and the prospect that interest rates might have to be increased to defend it, kept the market cautious. Brokers generally agreed that the market is still consolidating. Investors are still worried about the health of several companies, including Trafalgar Housing and Wheelock Marden. The Wheelock Group is late in reporting its annual results for 1982.

Switzerland

Domestic share prices rose despite slightly lower volume, with Blue Chips mostly marked up between 10 and 20 francs.

Dealers attributed the firmer tone to the overnight advance on Wall Street and continued speculation about a sustained economic upturn. Private investors are also returning increasingly to the market.

Banks were steady, with Credit Suisse Bearer in demand following Thursdays news it will launch a $100m Eurobond with share warrants, dealers said.

Among Industrials, Sulzer were off Frs 30 at Frs 1,810 following results.

The Swiss Bond Market closed steady on selective demand, with Foreign issues irregular with a firmer bias.

In Foreign shares, Dollar stocks continued mostly higher and Dutch Internationals firmed. Germans ended narrowly mixed after opening higher.

Singapore

Share prices continued mixed. Losses due to profit-taking were well absorbed by Foreign investors' support.

Cycle and Carriage gained 5 cents to S$6.05, and Rothmans 8 cents to S$3.46.

But Keppel Shipyard lost 8 cents to S$4.72, Promet 4 cents to S$4.10, North Borneo Timber 4 cents to S$2.55 and Far East Levingston 15 cents to S$6.15.

Amsterdam

Dutch stocks closed mixed in very thin and nervous trading, with a firmer International sector failing to lead other issues out of the doldrums.

In a depressed Bond Market, prices were slightly weaker after dropping sharply Thursday. Brokers said fears of higher Dutch interest rates continued to overhang the market, with renewed expectations of an imminent increase in the Dutch Discount rate. The Stock Market was also suffering from these fears.

Stockholm

Sweden's Stock Exchange suspended trading for six days from yesterday because of technical problems at its Computerised Securities Registration Centre, Bourse officials said.

Bond trading will not be affected.

Johannesburg

Gold shares recovered towards the close as business perked up after a quiet morning.

Other Mining shares tended weaker.

Industrials were narrowly mixed, after a dull day's trading.

NEW YORK

CANADA

DENMARK

NETHERLANDS

AUSTRALIA

JAPAN (continued)

FRANCE

NORWAY

SPAIN

HONG KONG

GERMANY

SWEDEN

SINGAPORE

AUSTRIA

SWITZERLAND

BELGIUM/LUXEMBOURG

JAPAN

SOUTH AFRICA

ITALY

Indices

NEW YORK — DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

NEW YORK ACTIVE STOCKS

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar steady

The dollar showed little overall change ahead of the long weekend in very quiet trading. There was little incentive to take out fresh positions especially with current uncertainty as to how U.S. interest rates are likely to move in the future. For the time being there appeared to be no clear trend. Euro-dollar rates yesterday were about 1/16 of a point lower as the market appeared to be reasonably happy with the latest $15bn Treasury refunding package. The dollar closed at DM 2.4655 against the D-mark, hardly changed from Thursday's close in London of DM 2.4645. Against the Swiss franc it rose to SwFr 2.0685 from SwFr 2.0650 but eased a little against the Japanese yen to Y237.85 from Y237.90. It was higher against the French franc at FFr 7.3950 compared with FFr 7.3830. On Bank of England figures the dollar's trade weighted index eased to 122.6 from 122.8.

Sterling's index was unchanged at the close at 84.2, having stood at 84.1 at noon and 84.3 in the morning. The pound regained some ground during the afternoon, having eased towards midday from opening levels, as the market reacted favourably to better than expected trade figures for March. Against the dollar it closed at $1.5600-$1.5610, a rise of 10 points, having traded between $1.5580 and $1.5645. Against the D-mark it rose to DM 3.8475 from DM 3.8450 and SwFr 3.2275 compared with SwFr 3.2250. It was also higher against the French franc at FFr 11.54 from FFr 11.5250 but eased slightly against the Japanese yen to Y371¼ from Y371½.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 29	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.3662	45.1155	+1.69	+0.60	±1.5430
Danish Krone ...	8.04412	8.05231	+0.10	−1.09	±1.6418
German D-Mark	2.21515	2.26441	+2.22	+1.03	±1.0967
French Franc ...	6.79271	6.79047	−0.03	−1.22	±1.4019
Dutch Guilder ...	2.49587	2.54911	+2.13	+0.94	±1.4841
Irish Punt	0.71705	0.716774	−0.04	−1.23	±1.6698
Italian Lira	1386.78	1345.89	−2.95	−2.95	±4.1463

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

April 29	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5580-1.5645	1.5600-1.5610	0.22-0.17c pm	1.50	0.51-0.46pm	1.24
Canada	1.9100-1.9170	1.9125-1.9138	0.20-0.10c pm	0.94	0.48-0.38pm	0.90
Nethlnd.	4.31-4.34	4.32¾-4.33¾	1⅞-1⅜c pm	4.50	5⅛-4⅝pm	4.50
Belgium	78.35-79.70	79.50-79.60	7cm-3dis	0.31	10pm-par	0.26
Denmark	13.65-13.72	13.66¾-13.67¾	¼ore pm-½dis	0.11	1½-2⅞dis	−0.66
Ireland	1.2130-1.2170	1.2150-1.2160	0.49-0.62p dis	−5.48	1.36-1.55dis	−4.79
W. Ger.	3.82½-3.86	3.84¼-3.85¼	2-1½pf pm	0.46	5¼-4¾pm	4.94
Portugal	152.25-155.00	152.75-154.75	515-1920c dis	−95.02	1200-2760dis	−51.51
Spain	212.75-214.00	213.10-215.30	170-255c dis	−11.96	505-625dis	−10.60
Italy	2278-2289	2286-2288	5-9lire dis	−3.93	26-29dis	−4.81
Norway	11.07-11.12	11.09¾-11.10¾	2¾-3⅞ore dis	−5.58	8⅞-8⅝dis	−5.38
France	11.49½-11.55	11.53½-11.54½	1½-2½c dis	−2.08	7½-8⅞dis	−2.90
Sweden	11.67-11.72	11.70¼-11.71¼	⅞-1½ore dis	−1.22	2-2¾dis	−0.81
Japan	369½-373	370¼-371¼	1.50-1.30y pm	4.52	3.70-3.50pm	3.88
Austria	26.95-27.10	27.01-27.06	12¾-10¾gro pm	5.21	35¾-29½pm	4.79
Switz.	3.21-3.24	3.22¼-3.23¼	1⅞-1⅜c pm	6.04	4⅝-4⅜pm	5.73

Belgian rate for convertible francs. Financial franc 76.65-70.75.
Six-month forward dollar 0.84-0.79 cpm. 12-month 1.15-1.00 cpm.

THE DOLLAR SPOT AND FORWARD

April 29	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5580-1.5645	1.5600-1.5610	0.22-0.17c pm	1.50	0.51-0.46pm	1.24
Ireland†	1.2805-1.2865	1.2805-1.2815	0.75-0.65c pm	6.54	1.82-1.77pm	5.74
Canada	1.2240-1.2265	1.2255-1.2260	0.03-0.06c dis	−0.44	0.07-0.10dis	−0.27
Nethlnd.	2.7645-2.7770	2.7750-2.7770	0.77-0.67c pm	3.12	2.25-2.17pm	3.19
Belgium	48.90-49.12	49.04-49.06	5-7c dis	−1.47	13-16dis	−1.16
Denmark	8.7300-8.7500	8.7325-8.7375	½-1ore dis	−1.03	3.40-3.90dis	−1.67
W. Ger.	2.4550-2.4670	2.4650-2.4660	0.88-0.83pf pm	4.16	2.49-2.44pm	4.00
Portugal	98.00-100.00	98.25-99.75	350-1250c dis	−96.97	800-1800dis	−52.52
Spain	136.55-136.95	136.70-136.80	130-190c dis	−14.02	375-430dis	−11.70
Italy	1460-1466	1465-1466	7-7¾lire dis	−6.05	22-23½dis	−6.23
Norway	7.0975-7.1075	7.1000-7.1050	2.90-3.30ore dis	−5.24	8.00-8.40dis	−4.62
France	7.3675-7.4000	7.3925-7.3975	2.10-2.25c dis	−3.53	7.30-7.80dis	−4.03
Sweden	7.4875-7.4975	7.4900-7.4950	1.40-1.60ore dis	−2.40	3.40-3.90dis	−1.87
Japan	237.15-238.05	237.80-237.90	0.63-0.56y pm	3.00	1.70-1.60pm	2.77
Austria	17.28½-17.31	17.28¾-17.29¾	5.10-5.30gro pm	3.85	17.00-14.50pm	2.84
Switz.	2.0580-2.0700	2.0680-2.0690	0.86-0.76c pm	4.70	2.35-2.25pm	4.45

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.
Belgian rate is for convertible francs. Financial franc 49.10-49.20.

EXCHANGE CROSS RATES

Apr. 29	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.561	3.848	371.5	11.54	3.228	4.333	2287.	1.916	79.05
U.S. Dollar	0.641	1.	2.465	237.9	7.395	2.068	2.776	1466.	1.226	49.05
Deutschmark	0.260	0.406	1.	96.49	2.999	0.839	1.126	594.4	0.497	19.90
Japanese Yen 1,000	2.694	4.203	10.36	1000.	31.08	8.694	11.67	6160.	5.153	206.2
French Franc 10	0.867	1.353	3.334	321.7	10.	2.797	3.754	1982.	1.658	66.36
Swiss Franc	0.310	0.484	1.192	115.0	3.575	1.	1.342	708.6	0.593	23.72
Dutch Guilder	0.231	0.360	0.888	85.69	2.664	0.745	1.	527.9	0.442	17.67
Italian Lira 1,000	0.437	0.682	1.682	162.5	5.046	1.411	1.894	1000.	0.838	33.47
Canadian Dollar	0.526	0.816	2.011	194.1	6.032	1.687	2.265	1195.	1.	40.02
Belgian Franc 100	1.300	2.039	5.026	485.0	15.08	4.215	5.660	2988.	2.499	100.

MONEY MARKETS

Further shortage

UK clearing bank base lending rate 10 per cent (since April 15 and 18)

Day to day credit was in short supply in the London money market yesterday. The Bank of England forecast a shortage of around £600m although this was later revised to £550m and then to £500m. Factors affecting the market included bills maturing in official hands and a net take up of Treasury bills —£419m and a rise in the note circulation of £250m. On the other hand Exchequer transactions added £170m to the system.

Assistance in the morning came to £332m and comprised purchases of £9m of Treasury bills and £69m of eligible bank bills in band 1 (up to 14 days) at 10 1/16 per cent and in band 2 (15-33 days) £1m of Treasury bills and £231m of eligible bank at 10 per cent. In band 3 (34-63 days) it bought £5m of eligible bank bills at 9 15/16 per cent and in band 4 (64-84 days) £17m at 9⅞ per cent. The Bank gave further help in the afternoon of £30m, making a grand total of £362m. The afternoon help comprised purchases of £11m of local authority bills in hand 1 at 10 1/16 per cent, £14m of eligible bank bills in band 2 at 10 per cent and £5m in band 3 at 9 15/16 per cent.

In the interbank market weekend money opened at 10¼-10½ per cent and eased initially to 10¼ per cent before rising in the afternoon to a high of 12½ per cent. Closing balances were taken nearer 8 per cent however.

LONDON MONEY RATES

Apr. 29 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦
Overnight	—	5-10½	10¼	—	—	10¼-10½	10-10½	—	—
2 days notice	—	—	10⅜	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—
7 days notice	—	10¼-10½	10¼-10⅜	—	—	10½-10⅝	10-10⅛	—	—
One month	10 1/16-10¼	10¼-10⅜	10⅛-10 3/16	10⅞-10⅝	10⅜	10½-10⅝	10	10 1/32	10 1/16
Two months	10¼-10 1/16	10 1/16-10 3/16	10⅛-10¼	10¾-10⅜	10 3/16	10 1/16	9⅞	9 13/16	9 15/16
Three months	10 1/16-10⅛	10 1/16-10 3/16	10⅛-10 3/16	10⅝-10¼	10 3/16	10⅞	9¾	9 13/16	9 27/32
Six months	10-9⅞	10 1/16-10 3/16	10-10½	10-9¾	10⅛	—	—	—	9 23/32
Nine months	9 15/16-9⅞	10 1/16-10 3/16	10⅛	10⅜-10	10⅛	—	—	—	—
One year	9 15/16-9⅞	10 1/16-10¼	10-10⅛	10¼-10	10⅛	—	—	—	—
Two years	—	—	10⅜-10⅛	—	—	—	—	—	—

ECGD Rate Export Finance Scheme IV Average Rate for interest period March 2 to April 5 1983 (inclusive) per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10⅞-11 per cent; four years 10⅞-11 per cent; five years 11-11⅛ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rate for four month bank bills 9¾ per cent: four months trade bills per cent.

Approximate selling rate for one month Treasury bills 9 31/32-10 per cent; two months 9 13/16 per cent; and three months 9 25/32-9 13/16 per cent. Approximate selling rate for one month bank bills 10 1/32 per cent; two months 9 29/32 per cent; three months 9 27/32 per cent; trade bills one month 10 7/16 per cent; two months 10 11/32 per cent and three months 10 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11 per cent from May 1. London and Scottish Clearing Bank Rates for lending 10 per cent. London Deposit Rates for sums at seven days' notice 6¾ per cent.

Treasury Bills: Average tender rates of discount 9.7566 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held one month 10½ per cent; one-three months 10¼ per cent; three-six months 10¼ per cent; six-12 months 10¼ per cent. Under £100,000 10 per cent from April 9. Deposits held under Series 3-5 10¼ per cent. The rates for all deposits withdrawn for cash 8 per cent.

EURO-CURRENCY INTEREST RATES

(Market closing rates)

Apr. 29	Short term	7 days notice	Month	Three Months	Six Months
Sterling	10¼-10½	10¼-10½	10 1/16-10 3/16	10 1/16-10 3/16	10 1/16-10 3/16
U.S. Dollar	8¾-9	8¾-9	8¾-9	8¾-9	8⅞-9⅛
Can. Dollar	9¾-10¼	2⅞-5⅝	9-9¼	8⅛-9⅜	8¼-8½
D. Guilder	5¾-6	5¾-6	5⅞-6	5¾-5⅞	5¾-5⅞
S. Franc	1½-8	3-3½	4⅜-4½	4⅜-4½	4⅜-4½
Deutschm'rk	4⅞-5	4⅞-5	4⅞-5	4 15/16-5 1/16	5 1/16-5 3/16
Fr'nch Franc	15⅛-12½	18¼-18½	18¼-18½	15-15¼	14 3/16-14 7/16
Italian Lira	16-15	12¾-14¾	14¼-15⅛	14⅞-15⅝	15⅜-17
Belg. Franc Conv.	10¼-10¾	10¼-10¾	10-10½	10-10⅛	10¼-10¾
Fin.	10¼-10¾	10⅜-10⅝	10¼-10½	10¼-10⅛	10¼-10½
Yen	0¼-0⅛	9¼-6⅛	6⅛-6¼	6 1/16-6 3/16	6 1/16-6 3/16
D. Krone	5-5⅜	8⅜-9¾	10-10⅜	10¾-11⅛	11¼-11⅜
Asia $ (Sing.)	8⅞-9	8⅞-9	8⅞-9	8 15/16-9 1/16	9 1/16-9 3/16

OTHER CURRENCIES

Apr. 29	£	$		£ Note Rates
Argentine Peso	115,616-115,710	74,040-74,090	Austria	26.90-27.20
Australia Dollar	1.7880-1.8000	1.1560-1.1535	Belgium	76.30-77.05
Brazil Cruzeiro	706.68-709.38	469.67-454.93	Denmark	13.59-13.79
Finland Markka	8.4050-8.4780	5.4580-5.4340	France	11.46-11.56
Greek Drachma	125.122-162.015	83.75-84.06	Germany	3.82½-3.86½
Hong Kong Dollar	10.74½-10.78½	0.89-6.90	Italy	2255-2285
Iran Rial	159.95*	94.65*	Japan	370-375
KuwaitDinar(KD)	0.4540-0.4555	0.29126-0.29149	Netherlands	4.30¼-4.34¼
Luxembourg Fr.	76.30-76.80	49.04-49.06	Norway	11.05-11.15
Malaysia Dollar	3.0000-3.6100	2.3090-2.3110	Portugal	155-180
New Zealand Dlr.	2.3595-2.3655	1.5150-1.5175	Spain	203-218½
Saudi Arab. Riyal	5.3890-5.3905	3.4500-3.4510	Sweden	11.66-11.76
Singapore Dollar	3.2750-3.2800	2.1000-2.1020	Switzerland	3.21-3.24
Sth. African Rand	1.7015-1.7035	1.0905-1.0915	United States	1.55¼-1.57¼
U.A.E. Dirham	5.7285-5.7675	3.6790-3.6735	Yugoslavia	129-157

* Selling rates.

FT LONDON INTERBANK FIXING

11.00 a.m. APRIL 29

3 month U.S. dollars		6 months U.S. dollars	
bid 8 15/16	offer 9 1/16	bid 9	offer 9 1/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1983 High	1983 Low
METALS					
Aluminium	£880	—	£810/816	£880	£810/816
Free Markets c.i.f.	$1370/1400	+10	$985/1015	$1390/1420	$995/1025
Antimony					
Free Market 99.6%	$1970/2040	+5	$2350/400	$2040/2160	$1750/850
Copper-Cash High Grade	£1120.25	+13.5	£839	£1126.5	£956.75
3 months Do. Do.	£1159.5	+6	£868.5	£1159.25	£958.25
Cash Cathodes	£1088	−0.5	£853.5	£1102	£894.25
3 months Do.	£1110.5	−1	£881.5	£1133.5	£988.75
Gold per oz	$425.5	−8	$362	$508.5	$409.25
Lead Cash	£289	−8	£323.25	£318	£287.5
3 months	£289.25	−8.375	£337.75	£328.125	£288.75
Nickel	£4835	—	£3928	£4835	£4364
Free Markets c.i.f. lb	216/240c	+2.5	252/266c	235/265c	162/192c
Palladium per oz	$122.50	+4.5	‡	‡	‡
Platinum per oz	£207.05	−2.75	£190.40	£318.95	£244.60
Quicksilver (76 lbs)	$285/295	−10	$370/380	$345/355	$280/300
Silver per oz	756.25p	−9.75	594.50p	948.65p	680.30p
3 months per oz	784.55p	−10.05	407.30p	976.10p	697.55p
Tin cash	£8817.5	−7.25	£7,192.5	£9,290.5	£7695.5
3 months	£8772.5	−62	£7,559.5	£9,281	£7402.5
Tungsten Ind.	$88.92	—	$114.99	$92.25	$77.57
Wolfram (22.04 lb.)	$89/91	—	$109/107	$90/95	$78/82
Zinc cash	£455.75	−2.75	£427.75	£479.5	£423.5
3 months	£470.75	−2.5	£458.75	£496.25	£438.95
Producers	$760	—	$860/900	$800	$750
GRAINS					
Barley Futures	£110.70y	−0.5	£106.75	£121.95	£110.50
Maize French	£147.00z	+1	£150.95	£151.00	£143.00
WHEAT Futures	£155.70u	−0.4	£195.95	£159.85	£150.80
Hard Winter Wheat	‡	—	‡	‡	‡
SPICES					
Cloves (g)	£6,350x	—	£5,750	£5,900	£6,000
Pepper, white	$1,700x	—	$1,825	$1,900	$1,700
" black	$1,300x	—	$1,576	$1,420	$1,200
OILS					
Coconut (Philippines)	$515x	+55	$510	$515	$430
Groundnut 0%	‡	—	‡	$505	$435
Linseed, Crude	£318z	—	‡	£352	£308
Palm Malayan	$448.5v	+7.5	$497.5	$442.5	$365
SEEDS					
Copra (Philippines)	$410x	+85	$356	$410	$295
Soyabeans (U.S.)	$261z	—	$274	$265	$233.5
OTHER COMMODITIES					
Cocoa Shipments §	£1,368	+49	£1,012	£1,404	£1,197
Cocoa Futures July	£1,597.5	+49	£991.5	£1,388.5	£1,108
Coffee Futures July	£1,685.5	+56	£1,171.5	£1,940.5	£1,558
Cotton Index	80.50c	—	75.10c	80.65c	70.35c
Des. Coconut	£740	+60	£500	£740	£510
Gas Oil Fut. May	$243	−5.5	$298.6	$277.5	$220
Jute UA BWC grade	‡		£259	£240	£240
Rubber kilo	75p	+0.5	58.5p	80.5p	50p
Sago Pearl	£270x	—	£245	£270	£242
Sisal No. 3L	$645	—	$640/650	$655	$620/630
Sugar (Raw)	£122	+11	£198	£129	£95
Tapioca No. 1	£270x	—	£240	£290	£255
Tea (quality) kilo	146p	—	129p	155p	144p
(low med.) kilo	131p	−1	79p	125p	119p
Wooltops 64s Warp	394p kilo	—	402p kilo	409p kilo	372p kilo

‡ Unquoted. (g) Madagascar. (u) July. (v) June. (y) Sept. (z) May. (x) May-June. (w) April-May. § Ghana cocoa.

REVIEW OF THE WEEK

London sugar market reaches 9-month high

BY OUR COMMODITIES STAFF

NEWS THAT Thailand had agreed with several leading tradehouses to defer delivery of sugar contracted to them encouraged a sharp rise in world prices this week.

Dealers explained that the news reduced fears of heavy deliveries against the expiring May contract in New York allowing prices to rise from the previously depressed level. With growing concern about weather delays to European sugar beet plantings providing further upward incentive the London daily sugar price gained £11 on the week to £122 a tonne, its highest level since last July.

Other factors influencing the market were reports of a sharply reduced Thai crop this year, a fairly high price received at a tender for Dominican Republic sugar and, in the background, a tendency for traders to take a rather more relaxed view of the burden represented by record-high world stocks. There were also hopes that a more effective International Sugar Agreement will emerge from the three-week negotiations starting in Geneva next week.

Other soft commodity markets had little fundamental news to affected them but ended higher, mainly on speculative buying, despite the continued firmness of sterling.

July delivery cocoa ended £49.00 up on the London futures market at £1,327.50 a tonne while July coffee gained £56.00 to £1,685.50 a tonne. RSS No. 1 natural rubber on the London physical market finished the week 0.5p up at 75p a kilo.

Copper prices were pushed higher on the London Metal Exchange following reports of further buying by the Chinese. Some traders believe total purchases by China now total 200,000 tonnes. But the key question is whether the Chinese will take actual delivery of the forward purchases made or sell some back into the market at a handsome profit, as happened at the end of last year. Significantly the cash price of high-grade copper gained £13.5 to £1,120.5 a tonne, while the three months quotation ended the week only £6 up at £1,139.5, suggesting that dealers were acquiring spot supplies just in case China does take delivery of all its purchases and create a shortage.

So far, however, the rise in LME warehouse stocks continues, with holdings increasing again last week (by 1,000 to 314,075 tonnes) for the 29th week in succession. The firmer trend in sterling, easier gold and silver, and profit-taking selling at the higher levels all combined to restrain the rise in market prices.

Zinc values also failed to hold earlier gains made when U.S. producers lifted their domestic selling prices. It was thought this might trigger off an increase in the European zinc producer quotation from its present level of $750 a tonne. So far, however, this has not happened and the LME zinc cash price lost ground and closed £2.75 down on the week at £455.75 a tonne after trading over £465 at one stage.

Yesterday it was announced that workers at the big Alcan aluminium smelter at Kitimat in British Columbia had rejected the company's terms for a new two-year labour contract, but talks are continuing. Meanwhile the big U.S. aluminium producers have just started negotiations for the renewal of labour contracts.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.90	—
Iranian Light	28.05-28.10	−0.03
Arabian Heavy	25.20-26.25	—
North Sea (Forties)	29.70-29.75	—
North Sea (Brent)	29.95	—
African(Bonny L'ht)	30.00	—
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	311-316	—
Gas oil	245-250	−3.5
Heavy fuel oil	164-166	—

GAS OIL FUTURES

The market opened a shade weaker and, in light activity, moved lower. Steadiness after the New York opening brought prices to the highs but pre-weekend book-squaring pushed the market down again on the close, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
April	251.50	+2.00	251.50
May	243.00	−1.25	244.75-42.75
June	242.25	−0.25	243.50-41.50
July	241.75	−0.50	243.25-41.25
Aug	242.75	−1.75	244.25-42.75
Sept	245.75	−1.50	247.25-44.75
Oct	247.75	−2.75	249.00-47.75
Nov	250.00	−2.00	250.50-50.00
Dec	253.00	−2.00	254.00

Turnover: 1,821 (2,276) lots of 100 tonnes.

GOLD MARKETS

Gold rose just $¼ an ounce from Thursday's close in the London bullion market yesterday to finish at $429-430. The metal opened at the same level and traded between a high of $429¾-$430¼ and a low of $428-429. Trading was extremely quiet ahead of the long weekend.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
May	425.00-26.0	−3.500	—
June	428.40-29.5	−2.850	433.20-28.5
July	432.50-33.5	−2.700	—
August	435.10-35.0	−3.400	439.30-33.0
Sept	439.00-40.0	−2.500	—
Oct	442.30-43.5	−2.500	—
Nov	446.00-47.0	−2.150	—

Turnover: 520 (1,147) lots of 100 tonnes.

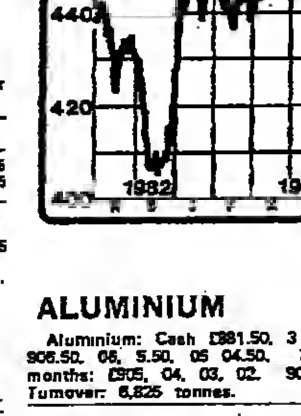
	April 29		April 28	
Gold Bullion (fine ounce)				
Close	$429-430	(£274½-275¼)	$428¾-429¼	(£274¾-275¼)
Opening	$429-430	(£274½-276¼)	$431¼-432¼	(£275½-276¼)
Morning fixing	$428.50	(£273.977)	$427	(£273.260)
Afternoon fixing	$429.25	(£274.896)	$428.50	(£274.768)

Gold Coins Apr. 29

Krugrnd	$439-440	(£281½-282¼)	King Sov	$103½-105	(£66¼-67¼)
½ Krg	$226¼-227½	(£145-145¾)	Victoria Sov	$103¼-105	(£66¼-67¼)
¼ Krg	$115¼-116¼	(£74-74½)	French 20s	$89¾-90¾	(£57-58)
1/10 Krug	$47-48	(£30¼-30¾)	50 pesos Mex	$528-530	(£338½-339½)
Mapleleaf	$438-439½	(£280¾-281¾)	100 Cor. Aust	$419-423	(£268½-271½)
New Sov.	$100-101	(£64¼-64¾)	$20 Eagles	$560-570	(£359-365½)
½ New Sov	$60-62	(£38½-39¾)			

BASE METALS

Amalgamated Metal Trading reported that in morning only trading cash higher grade traded at £1120, 3 months, 1138, 39 40, 39.50, 40, 41, 40.50, 40. Cats: cash 1093, 89, 88. Kerb: Higher Grade: £1139.50, 38, 38, 37, 36. Close 1135, 1136. Turnover: 36,200 tonnes.



COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1120-.5	+8.5	—	+62.5
3 months	1159-40	+1.25	—	−1.25
Settlem't	1120.5	+8.5	—	—
Cathodes				
Cash	1087.5-8.5	−1.75	—	−3.5
3 months	1110-1	−2	—	−2.25
Settlem't	1085-5	−1.5	—	—
U.S. Prod.	—	—	*79-83	—

TIN

Tin Standard Cash: £8835, 30, 20. 3 months: 8785, 80, 75. High Grade: 3 months: 8787. Kerb: £8770, £8770, 8775. Turnover: 1,010 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8815-20	−25	—	−37.5
3 months	8782-7	+6	—	−3
Settlem't	8820	−25	—	—
Standard				
Cash	8815-20	−25	—	−37.5
3 months	8770-5	−6	—	−15
Settlem't	8820	−25	—	—
Straits E.	$31.55	—	—	—
New York				

LEAD

Lead: Cash: £289; 3 months 304, 3.50, 3, 2, 1, 300, 298, 97, 98, 99, 300, 299, 99.50, 99. Kerb: 3 months £299, 98, 98, 95.50, 95, 92, 91, 92, £292, 293. Turnover: 14,750 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	288.75-9.2	−4.25	—	−8.25
3 months	299-.5	−4.87	—	−5.87
Settlem't	289.25	−4.25	—	—
U.S. Spot	—	—	*21-24	—

ZINC

Zinc: 3 months: £475, 74.50, 74, 74.50, 72, 71, 70.50. 3 months: £471, 72, 72.50, 72, 71, 70, 69, 70, 71, 471, 472. Turnover: 8,250 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	455.5-6	−4.5	—	−5.75
3 months	470.5-1	−3.5	—	−6
Settlem't	456	−4.5	—	—
Primw'ts	—	—	*38-40.5	—

ALUMINIUM

Aluminium: Cash £881.50, 3 months 906.50, 06, 5.50, 05 04.50. Kerb: 3 months: £905, 04, 03, 02, 902, 903. Turnover: 6,825 tonnes.

Aluminm	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	878.5-9	−2.75	—	−.25
3 months	904.5-5	−3	—	−0.5

NICKEL

Nickel: 3 months £3300, 03, 05, 08, 10, 20, 25, 30. 3 months £3220, 10, 25, 3220, 3225. Turnover: 792 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3125-35	+37.5	—	+15
3 months	3270-5	+35	—	−30

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

LME—Turnover 30 (231) lots of 10,000 oz. Trades: nil.

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unofficl	+ or —
Spot	756.25p	+10.5	786p	+6
3 months	784.55p	+11.1	785p	+4.75
6 months	803.25p	+11.5	—	—
12months	841.25p	+12.2	—	—

Silver was fixed 10.85p an ounce higher for spot delivery in the London bullion market yesterday 756.25p. U.S. equivalents of the fixing levels were: spot $11.857, up 15.2c; three-month $12.221, up 15.6c; six-month $12.475, up 15.9c; and 12-month $13.045, up 18.5c. The metal opened at 763-765p ($11.94-11.96) and closed at 754-766p.

COCOA

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1502-05	+35.0	1506-282
July	1597-99	+56.0	1652-287
Sept	1629-30	+97.0	1636-255
Dec	1541-49	+93.0	1546-11
March	1554-55	+82.0	1559-26
May	1565-67	+25.5	1565-35
July	1565-76	+91.0	1375

Sales: 4,351 (3,416) lots of 10 tonnes.
ICCO—Daily price for April 29: 90.40 (88.68). Indicator prices for May 2: 89.89 (89.34).

COFFEE

COFFEE	Yest'day's Close	+ or —	Business Done
May	1880-88	+5.5	1900-75
July	1685-86	−10.0	1701-85
Sept	1801-09	−15.5	1623.00
Nov	1556-57	−3.0	1563-50
January	1505-19	−12.5	1522.10
March	1480-85	−5.0	1487.75
May	1459-65	−7.0	1465-57

Sales: 3,046 (3,806) lots of 5 tonnes.
ICO Indicator prices for April 28 (U.S. cents per pound): Comp. daily 1979 124.10 (124.46); 15-day average 123.15 (122.92).

GRAINS

	WHEAT		BARLEY	
Mnth.	Yesterd'ys close	+ or —	Yest'd'ys close	+ or —
May	134.75	+0.05	120.00	+0.25
July	135.70	−0.10	—	—
Sep	117.40	—	110.70	+0.20
Nov	120.25	+0.05	114.00	+0.05
Jan	123.30	+0.05	117.25	+0.15
May	126.10	+0.05	120.10	+0.10

Business done—Wheat: May 134.85-4.40, July 135.80-5.55, Sept 117.50-7.40, Nov 120.30-20.20, Jan untraded, March 126.15 only. Sales: 205 lots of 100 tonnes. Barley: May 120.00-19.75, Sept 110.70-10.45, Nov 114.05-3.95, Jan 117.10 only. March 120.10-20.00. Sales: 98 lots of 100 tonnes.

POTATOES

Strong buying of May moved the value £4.50 higher, but profit-taking at the close trimmed levels by £1.50. New crops were well supported, reports Coley and Harper.

Month	Yesterd'y close	Previous close	Business Done
	£ per tonne		
May	86.80	83.70	89.30-84.80
Nov	72.00	71.60	72.50-71.50
Feb	81.00	79.00	81.50-79.50
April	94.00	92.00	95.00-92.00
May	101.70	98.00	102.50-98.5

Turnover: 670 (440) lots of 40 tons.

RUBBER

The physical market opened slightly steadier, attracted little interest ... steady. Lewis and Peat reported a May fob price of No. 1 RSS in Kuala Lumpur of 251.0 (247.5) cents a kg and SMR 20 231.5 (228.5).

No. 1 R.S.S.	Yesterdys close	Previous close	Business Done
	£ per tonne		
June	757-760	740-750	—
July	765-783	740-750	—
Jly-Sept	757-759	744-746	760-759
Oct-Dec	761-769	747-749	765-755
Jan-Mch	781-782	768-769	782-780
Apl-Jne	802-804	788-790	801-798
Jly-Sept	828-835	810-813	835-830
Oct-Dec	841-845	829-836	—
Jan-Mch	862-864	851-858	—

Sales: 182 (204) lots of 15 tonnes: nil (nil) lots of 5 tonnes.
Physical closing prices (buyers) were: Spot 75.00p (73.50p); June 74.75p (73.50p); July 75.25p (73.75p).

SOYABEAN MEAL

The market opened slightly higher in dull trade, reports T. G. Roddick. Prices eased on mixed selling.

	Yesterdy's close	+ or —	Business Done
	£ per tonne		
June	145.50-44.0	−0.50	144.50-45.50
August	144.80-44.9	−0.10	145.50-44.50
October	149.10-49.4	−0.10	149.80-49.40
Dec	155.00-56.3	−0.20	156.80-55.30
Feb	159.30-60.5	+0.60	—
April	159.50-60.5	+0.75	—
June	160.00-62.0	−0.70	—

Sales: 198 (83) lots of 100 tonnes.
SOYABEAN OIL—Close (U.S. $ per tonne): June 440.00, 446.00, 443.00; Aug 463.00, 458.00, untraded; Oct 463.00, 467.00, 465.00; Dec 471.00, 482.00, untraded; Feb 480.00, 494.00, untraded; April 490.00, 506.00, untraded; June 500.00, 518.00, untraded. Sales: 4 lots of 25 tonnes.

INDICES

FINANCIAL TIMES

Apr. 28	Apr. 27	M'th ago	Y'ar ago
272.94	272.70	277.29	247.19

(Base: July 1 1952=100)

REUTERS

Apr. 29	Apr. 28	M'th ago	Y'ar ago
1779.0	1772.1	—	1610.5

(Base: September 18 1931=100)

MOODY'S

Apr. 28	Apr. 27	M'th ago	Y'ar ago
1048.0	1050.7	1047.5	1007.5

(December 31 1931=100)

DOW JONES

Dow Jones	Apr. 28	Apr. 27	Month ago	Year ago
Spot	141.05	141.98	138.77	127.05
Fut'rs	146.11	146.04	143.31	151.32

AMERICAN MARKETS

NEW YORK

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
May	1910	1910	1843	1830
July	1935	1939	1868	1855
Sept	1941	1948	1883	1871
Dec	1950	1969	1910	1900
March	1990	1990	1960	1920

COFFEE "C" 37,000 lbs, cents/lb

	Close	High	Low	Prev
May	124.80	124.90	124.30	124.77
July	124.36	124.50	124.11	124.61
Sept	123.12	123.80	123.05	123.38
Dec	122.25	122.50	122.10	122.58
March	119.88	120.00	120.00	119.75
May	119.75	117.50	110.75	117.50
July	115.00	115.70	115.90	115.50
Sept	112.50	113.75	112.50	113.75

COPPER 25,000 lbs, cents/lb

	Close	High	Low	Prev
May	77.40	77.45	76.60	77.45
June	78.00	78.10	78.10	78.20
July	78.75	78.95	78.00	78.95
Sept	80.05	80.15	79.25	80.25
Dec	81.70	81.90	80.85	81.95
Jan	82.20	82.25	81.80	82.45
March	83.25	83.45	82.40	83.50
May	84.30	84.55	83.50	84.65
July	85.36	85.65	84.35	85.60
Sept	86.45	86.70	85.20	86.70

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
May	71.08	71.40	70.80	70.95
July	71.65	71.75	71.20	71.43
Oct	72.15	72.25	71.90	71.90
Dec	72.28	72.34	71.25	71.97
March	73.30	73.35	73.30	73.10
May	73.80	—	—	73.60
July	74.50	—	—	74.40
Oct	74.00	—	—	74.40

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
May	430.3	—	—	431.0
June	433.5	434.5	428.2	434.2
July	436.8	—	—	437.5
Aug	440.0	440.8	434.5	440.7
Oct	446.7	446.7	441.5	447.4
Dec	453.5	454.5	447.0	454.2
Feb	460.8	469.8	455.8	461.3
April	467.8	463.0	463.0	468.8
June	475.3	472.0	469.0	476.0
Aug	482.9	—	—	483.9
Oct	490.8	487.5	487.0	491.5
Dec	499.7	500.5	500.5	499.5
Feb	507.1	—	—	507.8

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallon

	Close	High	Low	Prev
May	83.69	84.00	83.30	83.42
June	78.44	80.38	79.10	79.72
July	78.22	79.10	78.10	78.66
Aug	78.59	79.45	78.40	79.11
Sept	79.50	80.10	78.40	80.00
Oct	80.45	81.25	80.30	80.85
Nov	82.05	81.90	81.40	81.70
Dec	82.18	82.75	81.65	82.00
Jan	82.49	83.05	83.05	82.95
Feb	82.49	—	—	82.95

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
June	429.4	418.0	418.0	422.8
July	429.9	429.5	421.5	423.3
Oct	435.4	435.0	428.0	429.8
Jan	444.4	438.0	437.0	438.8
April	453.4	—	—	447.8
July	462.4	—	—	456.8

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
May	1205.8	1214.0	1180.0	1198.0
June	1214.5	1213.8	1190.0	1207.5
July	1224.0	1231.0	1198.0	1217.0
Sept	1242.5	1250.0	1216.0	1235.8
Dec	1271.5	1277.0	1250.0	1264.8
Jan	1281.2	1261.0	1260.0	1274.3
March	1301.7	1296.0	1278.0	1293.3
May	1321.2	1330.0	1300.0	1312.8
July	1342.2	—	—	1332.8
Sept	1362.7	1345.0	1345.0	1353.8

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
May	7.77	7.87	7.60	7.69
July	7.98	8.03	7.86	8.04
Sept	8.33	9.40	9.23	9.40
Oct	8.66	8.70	8.54	9.66
March	9.64	8.65	8.45	6.80
May	9.48	8.87	9.72	9.81
July	10.06	10.07	10.00	10.03
Sept	10.35	10.35	10.35	10.30

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low
June	66.12	66.15	65.55
August	63.55	63.70	62.97
Oct	60.75	60.95	60.40
Dec	61.42	61.52	61.10
Feb	61.10	61.50	61.05
April	61.80	61.80	61.80

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low
June	49.30	49.60	49.10
July	49.62	49.85	49.30
August	47.15	47.70	46.80
Oct	43.42	43.90	43.35
Dec	44.37	44.70	43.95
Feb	46.65	46.90	46.60
April	45.45	46.00	45.45
June	47.85	47.85	47.85
July	46.85	46.85	46.85

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low
May	317.2	318.0	319.2
July	318.0	319.0	317.0
Sept	309.2	310.2	308.0
Dec	302.2	302.4	299.0
March	309.8	310.0	307.0
May	310.2	319.0	314.0
July	321.2	321.5	319.0

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low
May	67.90	67.90	66.60
July	68.60	66.85	66.00
August	63.92	64.20	63.25
Feb	63.72	63.77	62.70
March	63.80	63.70	63.15
May	64.72	64.72	64.15
July	64.22	64.22	64.22
August	61.47	61.47	61.47

SOYABEANS 5,000 bu min, cents/60lb bushel

	Close	High	Low
May	640.4	641.0	633.2
July	657.0	658.4	650.0
August	663.4	665.0	656.4
Sept	670.4	670.4	663.0
Nov	683.0	683.4	674.0
Jan	695.4	696.0	687.0
March	708.0	708.0	700.0
May	719.0	719.0	719.0
July	729.0	729.0	722.9

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low
May	189.4	189.7	186.0
July	192.3	192.7	190.8
August	194.0	194.0	192.0
Sept	196.0	196.2	194.3
Oct	198.0	198.5	196.2
Dec	202.5	203.2	200.2
Jan	204.3	205.0	202.7
March	209.0	209.5	207.5
May	211.5	211.5	211.5

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low
May	19.62	19.64	19.39
July	19.87	19.92	19.67
August	20.00	20.04	19.82
Sept	20.18	20.20	19.99
Oct	20.30	20.33	20.15
Dec	20.69	20.72	20.47
Jan	20.85	20.86	20.65
March	21.15	21.20	21.10

WHEAT 5,000 bu min, cents/60lb bushel

	Close	High	Low
May	351.4	351.4	349.2
July	361.2	362.2	359.2
Sept	370.4	371.8	369.2
Dec	384.0	386.4	383.0
March	395.0	397.6	394.8
May	399.0	401.0	399.0

SPOT PRICES—Chicago loose lard 17.25 (17.50) cents per pound. New York tin 625.0-30.0 (628.0-634.0) cents per pound. Handy and Harman silver bullion 1185.0 (1187.0) cents per troy ounce.

ORANGE JUICE 15,000 lbs; cents/lb

	Close	High	Low
May	113.70	114.50	113.60
July	111.60	112.90	111.20
Sept	110.60	111.40	109.80
Nov	107.10	107.60	107.20
Jan	102.05	102.50	102.20
March	102.05	102.50	102.20
May	102.05	102.50	102.50
July	102.05	102.40	102.30
Sept	102.05	—	—

SUGAR

LONDON DAILY SUGAR—Raw sugar £122.00 (£120.00) a tonne cif April-May-June shipment. White sugar £145.00 (£143.50).

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
May	—	128.50-50.00	128.50-24.50
Aug	134.00-34.10	135.50-35.50	135.50-34.00
Oct	141.50-41.60	145.00-45.00	145.20-41.50
Dec	147.50-47.50	148.20-48.70	148.00
March	155.20-55.50	156.50-56.78	157.00-55.20
May	159.00-60.00	160.20-61.00	160.50-59.00

Tate and Lyle delivery price for granulated basis white sugar was £405.90 (same) a tonne for home trade and £228.50 (£226.50) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for April 28: Daily price 7.41 (7.42); 15-day average 6.70 (6.63).

COTTON

LIVERPOOL—Spot and shipment sales amounted to 45 tonnes. Only a modest offtake occurred, as many buyers avoided forward commitments. Minor purchases took place in specialty

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous days is given with the relevant date.

‡ Bargains at special prices. ● Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

CORPORATION & COUNTY

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS (coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

Young 9pcPf (£1) 115 (22/4)

COMMERCIAL INDUSTRIAL

A—B

AC Cars (5p) 43
AE 8pcLn 1989-94 £65
AECI 5½pcPf (R2) 34½ (22/4)
AMEC 10pcLn 1992 £112 ¼
APV Hlds 5.25pcPf (£1) 62½ 6½ (25/4). 10¾pcLn 1997-2002 £255 (26/4)
A.R Television 5.99pcPf (£1) 76½ (28/4)
Abwood Machine Tools 6pcPf 1997 (£1) 175 (27/4)
Acrow 7½pcADb 1986-91 £75¼ (26/4). 8pcLn 1992-202 £40
Advance Services 8pcPf (£1) 68½ (27/4). 5½pc2ndPf (£1) 41½ (27/4)
Albion (20p) 9 ½ (27/4)
Albright Wilson 7½pcDb 1985-90 £76 (26/4). 8pcDb 1987-92 £78
Alcan Alum. npv £19⅛
Alebone Sons 7pcLn 1994-99 £42 (23/4)
Allen (Edgar) Balfour 7¾pcDb 1987-92 £73 (27/4)
Allen (W G) Sons (Tipton) 5pcPf (£1) 32 (22/4)
Allied Farm Foods 8pcDb 1989-93 £71
American Taleph Teleg Shs 118§ 567●
Anderson Strathclyde 8pcLn £74½ (22/4)
Anglo Amer Industl Corpn Opts to sub for Ord 266 (28/4)

C—D

E—F

G—H

G.B. Papers 23½
GEC-Elliott Automation 6½pcDb 1989-94 £71
GEI Intnl 10pcLn 1987-92 £85½ (22/4)
G.R. (Hldgs) 10½pc2ndPf (£1) 111 (27/4)
Garford-Lilley Ind (5p) 40 1
Gaunt (Rowland) 25
General Electric 6pcLn 1979-84 £94¼. 7¼pcLn 1987-92 £77. 7¾pcLn 1988-93 £78 9½. Fltg Rate Cap Nts 1986

I—J—K

L—M

N—O—P

Q—R—S

Quick (H. J.) Grp 10pcPf (£1) 88
R.F.D. Grp 5½pcPf (£1) 34
RHP Gp 7pcPf (£1) 53. 8pcLn 1984 £90½
RTD Gp (HK£0.29) 19
Radio Rentals (Hldgs) 8¼pcLn 1983-88 £73 (25/4). 6½pcLn 1970-84 £101½ (27/4)
Rank Organisation 6¼pcPf 54 ½. 8pcPf (£1) 88 (25/4). 5½pcLn 1990-95 £56½. 8pcLn 1983-88 £70.

T—U—V

W—Y—Z

FINANCIAL TRUSTS

Internat Inv Tst of Jersey (£1) 415 20 (27/4)
Lloyds & Scottish (20p) 90 8 100
London & Assoc Inv Tst (10p) 8½
London & European Gp 10½pcLn 1993 £70 (27/4)
Newmarket (1981) ($0.05) 598 600 4 5 6 7 10
Ship Mortgage Finance 8pcDb 1983-85 £91½ ½ (22/4). 8pcDb 1991-95 £77½ ½
Stewart Enterprises Wrts to sub 150
Stock Exchange 7¾pcDb 1990-95 £71½
Yule Catto 11½pcPf 1996-2002 (£1) 120

INSURANCE

INVESTMENT TRUSTS

North Kalgurli Mines Option 32½ (27/4)
Northchart Inv (R0.10) 13½ 4½ 5 6
Rio Tinto-Zinc Accum (25p) 568. 3.58Pf (£1) (Reg) 49 (27/4). 6¼pcLn 1985-90 £77½

MINES—SOUTH AFRICAN

Clydesdale (Transvaal) Collieries (R0.50) 595 600 (26/4)
Coronation Syndicate (R0.25) 65 6 (26/4)
East Rand Proprietary Mines Options 3180
Eastern Transvaal Cons Mines (R0.50)

MINES—MISCELLANEOUS

OIL

PROPERTY

PLANTATIONS

RAILWAYS

SHIPPING

UTILITIES

WATER WORKS

UNLISTED SECURITIES MARKET

RULE 163 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration.

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Giro plan dropped

THE GOVERNMENT has dropped plans to send giro cheques for social security benefits by second class post, Mr Tony Newton, Social Services Minister, said yesterday in a Commons written reply.

"The savings expected from which concerned certain payments of incapacity benefits, have fallen by two-thirds since it was originally authorised as a result of the introduction of statutory sick pay.

"However, we shall give further consideration to the possibility of a pilot scheme to establish whether there remains scope for achieving useful economies without causing

FT UNIT TRUST INFORMATION SERVICE

Authorised Units—continued

Offshore and Overseas—continued

Insurances—continued

Auditor's warning on Air Florida

By Paul Taylor in New York

AIR FLORIDA'S independent auditor has warned that the troubled airline "may be unable to continue as a going concern."

Peat, Marwick, Mitchell's opinion dated March 28 on Air Florida's financial statement cited factors including the 1982 net loss of $98.4m and a year-end negative net worth of $34.5m.

The auditor also noted that because of certain defaults $28.2m of the company's long-term debt was subject to demands for accelerated payment and had been reclassified under current liabilities contributing to a working capital deficit of $96.9m.

The comments, which appear in the annual report sent out to shareholders earlier this week, came as Air Florida reported a narrower first quarter loss. On Thursday the airline said it had cut its loss in the quarter $11m from $14.7m in same period last year. It was its first operating profit for 20 months.

Mr Donald Lloyd-Jones, chairman aod chief executive, said tbat although the quarter's results were unsatisfactory, "they reflect the substantial progress that has been made in restructuring the company and returning it to financial bealth."

U.S. Steel debt ratings lowered

NEW YORK—Standard and Poor's, the U.S. credit rating agency, has lowered the rating on U.S. Steel's commercial paper to A2 from A1. Senior long-term debt ratings are lowered to triple-B-plus from single-A, subordinated debt ratings are down to triple-B from single-A-minus and the *preferred stock* ratings are lowered to triple-B-plus from single-A.

AP-DJ

Texaco starts year with 13% drop in earnings

BY WILLIAM HALL IN NEW YORK

TEXACO, the U.S. integrated oil major, has reported a 13.1 per cent drop in first-quarter net income to $319m despite more than doubled earnings in its important overseas operations.

Per share earnings fell from $1.41 to $1.24. Revenues dropped from $13bn to $10.2bn.

The group says a continuing decline in petroleum demand caused by sluggish world business conditions and conservation measures has had a "significant impact" on the petroleum industry. The industry entered 1983 with surplus supplies of crude oil, excess manufacturing capacity and unneeded marine tonnage. These conditions exerted "sharp downward pressure on petroleum product prices."

U.S. operating earnings in the first quarter fell to $75m from $128m. U.S. manufacturing and marketing operations were affected by lower gross operating margins reflecting the effect of extremely soft petroleum product prices throughout the first quarter.

U.S. petrochemical operations made a $11m operating loss compared with a profit of $12m s year ago.

Overseas earnings of Texaco's petroleum and natural gas operations jumped from $151m to $332m. Overseas earnings from exploration and production fell but were more than offset by a sharp improvement io overseas manufacturing and marketing operations. This was due to a reduction in crude oil acquisition costs and improved operatiog efficiency of the European refineries.

● Tosco, the indepeodent U.S. oil refiner which is trying to reschedule aome $675m of bank debt, has reported a net loss of $46.6m in the first quarter compared with net income of $510,000 a year ago.

Improved performance at Aetna

BY OUR NEW YORK STAFF

OPERATING EARNINGS of Aetna Life and Casualty, the biggest stock holder-owned insurance company in the U.S., rose by 18 per cent to $119m in the first quarter of 1983 but earnings per share fell by 8 per cent to $1.15 because of stock issues for acquisitions made last year.

Aetna's earnings in the quarter were boosted by $48m from a reinsurance transaction, but they exclude the tax benefits of operating loss carryforwards generated in the latest period which in the comparable period last year boosted earnings by some $71m.

The Securities and Exchange Commission (SEC) ordered Aetna last year to stop adjusting its earnings for the benefits of the loss carryforwards. The SEC said that although Aetna's ability to realise the tax benefits may be more likely than not, in its view the company had not met the accounting test of assurance beyond any reasonable doubt.

Aetna atarted complying with the SEC request in the fourth quarter of last year, but has so far refused to adjust previous quarter's earnings.

Aetna's net income io the latest quarter totalled $162.1m but this included $43m of realised capital gains, primarily from favourable common stock sales. A year ago net income totalled $87m, which included capital losses of $14m.

Baldwin-United begins selling assets

BALDWIN - UNITED, the troubled U.S. financial services group, has begun raising cash through the sale of assets, writes Our New York Staff.

In two seperate moves announced yesterday Baldwin, through its National Investors *Life Insurance Company*, agreed to sell its stake in Continuum Company, an international computer services company, for $23m in cash and revealed in a Securities and Exchange Commissioo filing that it haa reduced its holding in Cincinnati Bell.

Earlier this month Baldwin's accounts were qualified by ils auditors because of certain litigation and because "*the outcome of certain significant income tax matters presently is uncertain.*"

On Wednesday the company "accepted a request" by Mr Morley Thompson, presideot and cbief executive, for a leave of abseoce.

Separately, a SEC filing revealed that Baldwin and some of its subsidiaries have lowered *their stake in Cincinnati* Bell, one of the major Bell System companies, to 4.99 per ceot, or 472,397 shares,

Sulzer sees further setback

By John Wicks in Zurich

SULZER BROTHERS, the Swiss engineering group, is likely to show a forther decline in earnings this year, according to Mr Pierre Borgeaud, management chairman. Last year consolidated group profits slipped from SwFr 32m to SwFr 30m ($14.6m) despite a 9.4 per cent rise in turnover to a record SwFr 4.42bn.

The board is to recommend cutting the 1982 dividend to 8 per cent, following a fall in net earnings from SwFr 27.2m to SwFr 22.7m. Sulzer had paid 14 per cent every year from 1968 to 1979 and a reduced 10 per cent for the two following years.

Mr Borgeaud drew attention to the impact of low order levels on tbe volume of work in hand. Last year group order values declined by 14.6 per cent to SwFr 3.72bn

Profits ahead at La Roche

By Our Zurich Correspondent

F. HOFFMANN-LA ROCHE, the Swiss-based chemicals company, lifted parent company net profits last year by 4.1 per cent to SwFr 67.07m ($32.6m).

Consolidated profits, including results for Sapac, Roche's Canadian holding company, rose by 11.1 per cent to SwFr 281.1m.

The board is to recommend an unchanged dividend of SwFr 550 per share and dividend certificate for caleodar 1982. This follows the decision last December to increase the Sapac dividend from SwFr 575 to SwFr 600 for the fiscal year ended September 30, 1982. Since Roche and *Sapac shares are twinned*, this will mean a rise in total dividend from SwFr 1,125 to SwFr 1,150.

Steady advance at three French groups

BY DAVID MARSH IN PARIS

IMPROVED results from three French companies with expanding businesses, CIT Alcatel in electronics, Compagnie Generale des Eaux in water distribution and Spie Batignolles in construction, have underlined that not all sections of French industry are facing hard times.

CIT Alcatel, the country's leading telecommunications manufacturer, announced a net profit of FFr 113.7m ($15.5m) for 1982 compared with FFr 95.2m in 1981.

CIT's operating profit rose last year to FFr 172.9m from FFr 151.7m. The overall dividend, including tax credit, is being lifted to FFr 91.95 from FFr 90 in 1981. The company also said it is seeking authorisation to issue bonds convertible into shares for FFr 500m.

As already announced consolidated turnover rose nearly 16 per cent last year to FFr 12.4bn.

Compagnie Generale des Eaux, the utility which is one of the largest companies quoted on the Paris bourse, announced a net profit of FFr 226.4m, up 9.6 per ceot on 1981. Turnover last year rose by 14.5 per cent to FFr 6.36bn.

Spie Batignolles, the construction arm of the Empain-Schneider group, reported parent company net profit for last year of FFr 72.4m, up 10.4 per cent from FFr 65.6m. Net profit of the whole Spie Batignolles group went up by only 3.8 per cent to FFr 119m, on turnover up 38 per cent to FFr 13.9bn.

Growth at Munich bank

BY JOHN DAVIES IN FRANKFURT

BAYERISCHE VEREINSBANK, the Munich-based West German commercial bank, has reported a further improvement in parent compaoy results io the first quarter of this year.

At the same time, the shareholders' meeting yesterday elected Herr Franz Josef Strauss, the Bavarian Premier, to the bank's supervisory board.

The bank reported that interest earnings in the first quarter increased by 8 per cent to DM 302m ($123m). The partial operatiog result—basically interest and commission earnings less personnel and some material costs—was more than 10 per cent higher than in the same period last year. There was also a substantial rise in bond trading earniogs.

Bayerische Vereinsbank has shared in tbe general improvement in West German banking business last year and has lifted its dividend from DM 9 to DM 10 per share.

Orient Overseas hit by recession

ORIENT OVERSEAS (Holdings), the diversified Hong Kong shipping group controlled by the Tung family, reported a 4.5 per ceot drop in net profits last year, from HK$174.1m to HK$166.2m (US$24.3m), writes Aodrew Fisher in Hoog Kong.

Depressed economic conditions, severe competition among major container shipping concerns and high interest rates during most of the year were cited as the main factors which hit the results.

But Orient, which owns the Furness Withy group in the UK, said it was able to prevent earnings falling further because of the effects of past diversification and ship sales.

As forecast when the Tung family aonounced last November its intention to inject HK$1.[illegible] of assets into tbe group, dividend totals 27 cents a sh[illegible] against 32 ceots for 1981, w[illegible] a final of 18 cents.

The board said it was c[illegible]fideot that 1983 profits wo[illegible] enable it to maintain [illegible] dividend at the 1982 level.

S & P cuts NZ credit standing

By Mary Ann Sieghart

New Zealand's credit rating [illegible] been reduced from triple-A [illegible] double-A plus by Standard [illegible] Poor's, the New York debt [illegible]ing ageocy.

The new rating will appl[illegible] all public bonds issued by [illegible] New Zealand Government in [illegible] U.S. market and tha Euro[illegible]kels. The adjustment refl[illegible] "the publie sector'a large [illegible] increasiog external debt bu[illegible] aod deterioration on the [illegible]rent account of the balanc[illegible] payments, following a prolon[illegible] period of deficits and redu[illegible] domestic economic policy fl[illegible]bility," according to Stand[illegible] and Poor's.

Nevertheless, says the age[illegible] tbe country's long-term p[illegible]pects remain "favoura[illegible] because of its natural resou[illegible] and investment proj[illegible] designed to tap those resour[illegible]

New Zealand now joins [illegible]mark in being the only West[illegible] developed nations to rec[illegible] ratings lower than triple-A f[illegible] Standard aod Poor's.

Even so, New Zaaland [illegible] popular name in the Eurob[illegible] market, so its bond prices [illegible] not suffer too much.

Bunge unit upturn

BUNGE INDUSTRIAL, Australian offshoot of Argentinian-based group, sa[illegible] 20 per cent improvement in profit for 1982, to A$[illegible] (U.S.$7.8m). It is involved [illegible] cereals, meat, metals [illegible] eogineeriog.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

[illegible]

INSURANCES

[illegible]

Investment interest falters on approach to long week-end holiday and equity leaders drift back

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Apr 11	Apr 21	Apr 22	May 3
Apr 25	May 5	May 6	May 16
May 9	May 19	May 20	May 31

* "New-time" dealings may take place from 9.30 am two business days earlier.

London equities yesterday made no further attempt on 700 after twice earlier in the week staging short-lived sorties above this psychological level. Investors were seemingly unimpressed with the Prime Minister's most optimistic view yet of UK economic prospects or by Wall Street's sustained upsurge this week to record peaks. Leading shares here soon drifted lower after a promising start and the FT Industrial Ordinary share index went persistently lower throughout official market hours.

ICI, which announced excellent first-quarter results on Thursday, led yesterday's equity market retreat. Business in the stock lessened considerably but dealers reported a steady stream of small sales after having satisfied American demand overnight at higher prices. London profit-taking was obviously a factor in ICI as it was throughout equity markets experiencing a lull in investment activity on the approach to the long week-end holiday.

However, the announcement of good March trade figures shortly after the official close and further encouraging leading U.S. economic indicators for the same month reversed the downturn. Leading industrials perked up and this was reflected in the FT 30-share index, which, at 695.3, closed 1.5 down after being 4.2 off at 3 pm. On the first week of the trading Account, this measure was 7.3 up and last Wednesday it jumped to 704.1 before establishing its record closing high of 699.0.

Banks irregular

Overshadowed all week by the events in equities, Government securities again moved narrowly. The novel issue of £1bn index-linked Treasury 2½ per cent Convertible 1999, payable £40 at tender next Thursday, was the topic of much discussion. For once, it diverted attention away from sterling, which performed quite well yesterday, but left some existing index-linked issues ½ lower for two-day falls of a couple of points. Closing movements among conventional Gilts were small and mixed, but sentiment was marginally better after-hours mirroring the March trade returns.

New Zealand 11½ per cent 2008 made its expected good debut and established a premium of ½ on the £30-paid issue price.

The major clearing banks made an irregular showing. Barclays softened 5 to 485p, but a squeeze on bear positions helped Lloyds to rise that much, to 550p. Midland hardened 2 to 380p, but NatWest finished that much cheaper at 610p. Discount Houses gave modest ground, Union losing 10 to 555p, Gerrard 5 to 390p and Clive a penny to 43p.

Support for Insurances soon faded and both Composites and Life issues ended easier on balance. Eagle Star finished 5 off at 405p, while Legal and General, 410p, and Prudential, 402p, shed 6 apiece.

An active and buoyant sector on Thursday, leading Breweries succumbed to scattered profit-taking and closed a shade easier for choice. Bass, the subject of a recent broker's circular, eased a couple of pence but retained a gain on the week of 11 at 319p. Grand Metropolitan fell 6 to 347p following employees' share sales.

Apart from London Brick, which attracted fresh speculative support on takeover hopes and put on 3 for a two-day gain of 10 to 158p, leading Buildings ended an eventful week on a subdued note. Blue Circle, a dull market prior to and directly after Thursday's release of the preliminary results, rallied 8 to 470p on second thoughts about the figures, but Rugby Portland Cement, the subject of considerable speculative interest recently on suggestions of a bid from English China Clays or one of the major mining companies, came back a couple of pence to 104p. George Wimpey, up 6 the previous day on good preliminary figures, ended a penny off at 148p, but John Laing attracted fresh support on recovery prospects and put on 12 for a two-day gain of 23 to 124p with the A shares rising a similar amount to 121p.

ICI attracted further profit-taking after Thursday's much better-than-expected first-quarter figures and slipped to 468p before U.S. inquiry in the late dealings left the close a net 8 down, but still 20 up on the week, at 470p. Press comment stimulated renewed interest in Laporte which firmed 5 to 294p, but Amersham International eased 4 to 264p. Elsewhere in Chemicals, Novo Industries B rose 5 points to £179.

Jewellers feature

Jewellers provided the focus of attention among Stores. Northern Goldsmiths advanced 10 to 164p, while James Walker A, 54p, and Ratners, 44p, rose 7 and 4 respectively. H. Samuel, the subject of considerable speculative interest on Thursday, attracted an active two-way business before closing a net penny cheaper at 116p, still however, up 10 on the week. Elsewhere in secondary Stores, Liberty improved 12 to 140p following full-year results, while revived speculative demand in the wake of the annual results lifted A. Caird 5 to 76p. Mail-orders displayed an irregular appearance on further consideration of the withdrawal of Sears' bid interest in the sector; Empire gave up 4 to 56p, but Grattan, dull of late, rallied that much to 46p.

Store leaders generally closed with small falls. Burton gave up 3, at 354p, as did Woolworth, at 283p. Marks and Spencer shed a couple of pence to 221p in front of next Wednesday's preliminary results.

Shoes featured Strong and Fisher which responded to scattered support and closed 8 higher at 41p.

Comment ahead of next week's preliminary figures directed buying attention to Sound Diffusion which put on 14 to 272p. Humberside Electronic, in contrast, fell 5 to 17p on the half-year loss. Dull conditions prevailed in the Electrical leaders, although closing quotations were sometimes a shade above the worst. GEC ended 4 down at 228p and Thorn EMI 6 lower at 522p, but Plessey finished only a penny off at 604p, after 600p.

Leading Engineers were inclined easier in quiet trading, but Vickers at 125p, recovered 7 of the previous day's fall of 13 which followed cautious comment on the outlook at the annual meeting. Among the occasional movements in secondary issues, Hopkinsons hardened a couple of pence to 117p after the results.

Cole group react

Having enjoyed their fair share of the action earlier in the week, leading Foods turned irregular ahead of the long week-end. Tate and Lyle, a particularly strong market recently, came back 4, but retained a gain on the week of 18 at 336p; the interim results are due soon. Lack of interest clipped 4 from Cadbury Schweppes, 108p, and 5 from S. and W. Berisford, 175p. Confirmation that Fitch Lovell had sold its Key Markets retailing operation to Safeway for £34.8m left the former 5 down at 141p. Linfood, whose bid for Fitch was blocked by the Monopolies Commission, hardened 2 to 272p. Cullens Stores, which acquired four small supermarkets from Fitch earlier in the week, firmed 3 for a gain on the week of 23 to 185p.

Reports of a sizeable put-through on Thursday at approximately 32p per share sparked speculative interest in Norfolk Capital which touched 36p before closing a net 3 up at 35p.

Subdued conditions prevailed in the miscellaneous industrial leaders, with most quotations drifting lower. Beecham eased 8 to 402p, BOC 7 to 223p and BTR 6 to 428p. Disappointing preliminary figures prompted a late reaction of 10 to 146p in Cole Group. In contrast, Davies and Newman, still reflecting good annual results, improved afresh to 195p before settling 10 up at 190p. Polly Peck remained a nervous market at £15¼, down 1¼, after £14¼, while London and Liverpool, still reflecting the company's withdrawal from the Telejector deal, closed 10 off at 280p, after 270p. Bellair soared afresh to 210p before closing 48p up on balance at 198p following a statement from the board expressing concern about the sharp rise in the share price.

Henry Boot gained 13 to 305p on the preliminary figures, while buying ahead of the scrip issue left J. Bibby 20 higher at 450p. Sharply higher interim profits left S. Simpson A up 6 more at 96p, but further consideration of the quarterly figures saw a reaction of 6 to 127p in Hoover A. Awaiting news of a possible referral of the U.S. bid to the Monopolies Commission, a late flurry of activity developed in Sothebys which touched 522p before settling 5 up on balance at 510p. Long and Hambly improved 1½ to 9½p on the bid of 10p per share from Tarmac, while Burco hardened 3 to 27p following the sale of Charters, a division of one of the company's subsidiaries. Foseco met offering awaiting next Tuesday's figures and gave up 6 to 142p.

Pleasurama, good earlier in the week on the sharply increased interim profits, softened a couple of pence, but retained a gain on the week of 25 at 313p. Elsewhere in the Leisure sector, Saga Holidays attracted speculative support and put on 7 for a three-day gain of 23 to 118p.

Publishers were mixed. United Newspapers continued to attract occasional interest and rose 5 more to 253p, but Fleet a buoyant market of late, reacted on profit-taking and finished 5 cheaper at 75p. Elsewhere, Sir Joseph Causton closed 4 dearer at 53p following the 16-month was also noted for Bunzl which results, while scattered support advanced 15 to 282p, after 285p, in a narrow market.

The Property sector ended the first leg of the Account on a decidedly dull note. Persistent selling and lack of support left Land Securities 8 lower at 317p and MEPC the same amount down at 217p. Stock Conversion gave up 10 to 295p, as did Hammerson A, to 705p. Great Portland Estates cheapened 4 to 148p, while recently firm Property Holding and Investment shed 6 to 162p. Against the trend, Mountleigh, reflecting support that developed late on Thursday, gained 8 to 168p, 75p, but Five Oaks, still reflecting poor results, shed 2 more to 21p.

Financials continued to feature Exco International which gave up 20 for a fall on the week of 42 at 633p following profit-taking in the wake of the start of dealings in New York of the company's associate Telerate; British and Commonwealth held at 340p, but Caledonia closed 20 lower at 750p.

Helped by the good overnight performance on Wall Street, leading Oil shares traded firmly, BP rising 8 to 400p and Shell a couple of pence to 498p. Britoil edged up 2 to 206p. Tricentrol, a firm market since a broker's recommendation and the quarterly figures, encountered profit-taking and reacted 6 to 180p. Elsewhere, Sun (UK) Royalty were noteworthy for a rise of 10 to 140p.

Golds steadier

South African Golds and Financials managed a minor rally after the heavy losses on Thursday but turnover remained at minimal levels, with interest again focused on the industrial sectors of London markets.

The recent dull performance of the bullion price—it closed yesterday at $429.50 an ounce, some $8 lower on the week—continued to bear heavily on gold share-markets which, after a minor initial rally, tended to drift lower in extremely quiet trading.

However, closing levels were fractionally above those ruling on Thursday night and the Gold Mines index responded with a rise of 3.2 at 613.7, which is 30.2 down on the week.

The leading heavyweights provided features in Southvaal, which regained ½ at £25¼, and Winkelhaak, a like amount better at £28½, while gains of around ½ were common to Hartebeest, £53½, Kloof, £31¾ and St Helena, £28.

Cheaper-priced issues were mixed. Among the newer gold producers, Deelkraal rallied 6 to 269p, and Elandsrand 23 to 832p.

Renewed weakness, however, was seen in Simmer and Jack, 30 off at 425p, Consolidated Modderfontein, 7 easier at 288p and Western Areas, which dipped 10 to 422p.

South African Financials mirrored the performance of Golds. "Amgold" recovered marginally to close a net ½ firmer at £75½ and Gencor put on a similar amount to £16¾ but Gold Fields of South Africa dipped ½ more to £89½ and New Wits 33 to 608p.

De Beers eased a further 4 to 541p—around 14 down on the week—despite the chairman's encouraging remarks.

The Bermuda-domiciled Minorco lost 10 at 765p to show a loss of 75 over the five-day period following news of the early redemption of the 9½ per cent Convertible stock which raised fears of large amounts of Minorco stock coming on offer.

London Financials managed small gains with RTZ 5 up at 587p following the annual report.

Australians closed an eventful week on a mixed note. CRA held at 267p, down 28 on the week, following the A$206.5m rights issue and 10m share placement of CRA shares by RTZ, announced on Wednesday.

Peko-Wallsend rose 4 to 374p but remained sharply lower on the week after Wednesday's 2m share placing at a price of 360p.

Dealers reported a steady demand for Traded Options and total contracts amounted to 2,369—1,578 calls and 791 puts. The week's daily average was 2,776. ICI were again wanted in the wake of the excellent first-quarter figures and attracted 312 calls and 92 puts with the July 500 puts gaining 8 to 42p. Support was also shown for Commercial Union ahead of next month's quarterly with 176 calls transacted, 124 of which were struck in the July 160's. P & O Deferred attracted an evenly-balanced business in front of next Wednesday's preliminary results with 122 calls and 103 puts done.

FINANCIAL TIMES STOCK INDICES

	April 29	April 28	April 27	April 26	April 25	April 22	year ago
Government Secs.	81.55	81.60	81.60	81.71	81.60	81.24	67.70
Fixed Interest	83.72	83.71	83.71	83.72	83.72	83.97	68.12
Industrial Ord.	695.3	696.8	699.0	695.2	693.3	688.0	575.1
Gold Mines	613.7	610.5	647.4	644.5	655.1	643.9	348.0
Ord. Div. Yield	4.50	4.49	4.47	4.49	4.51	4.54	5.51
Earnings, Yld.% (full)	9.06	9.15	9.13	9.15	9.20	9.26	11.56
P/E Ratio (net) (*)	13.40	13.23	13.28	13.22	13.17	13.08	10.81
Total bargains	23,458	25,769	23,862	22,509	23,300	25,702	15,550
Equity turnover £m.	—	280.46	289.87	220.86	212.05	272.80	143.3
Equity bargains	—	22,747	21,713	21,251	23,787	25,175	13,782
Shares traded (ml)	—	173.7	169.4	123.1	130.2	175.9	134.0

10 am 697.7. 11 am 694.8. Noon 695.5. 1 pm 694.0. 2 pm 692.8. 3 pm 692.6.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil=12.52.

HIGHS AND LOWS / S.E. ACTIVITY

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	82.75 (1/4)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.36 (18/4)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	699.0 (27/4)	598.4 (12/1)	699.0 (27/4/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	551.5 (29/3)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. Activity	April 28	April 27
—Daily		
Gilt Edged Bargains	148.3	167.8
Equities Bargains	147.4	140.7
Value	566.9	585.9
5-day Avrge		
Gilt-Edged Bargains	157.3	157.0
Equities Bargains	151.2	151.4
Value	515.7	524.5

LEADERS AND LAGGARDS

Percentage changes since December 31, 1982, based on Thursday, April 28, 1983

Office Equipment	+ 34.73	Investment Trusts	+ 16.46
Motors	+ 34.10	Insurance (Life)	+ 16.38
Newspapers, Publishing	+ 32.97	Property	+ 16.33
Shipping and Transport	+ 29.78	All-Share Index	+ 15.40
Chemicals	+ 28.49	Mechanical Engineering	+ 15.34
Banks	+ 28.08	500 Share Index	+ 13.75
Health and H'sehold Products	+ 27.44	Industrial Group	+ 11.74
Metals and Metal Forming	+ 26.62	Capital Goods	+ 11.68
Insurance (Composite)	+ 26.30	Merchant Banks	+ 11.34
Other Industrial Materials	+ 26.05	Packaging and Paper	+ 10.83
Oils	+ 25.87	Building Materials	+ 9.80
Insurance Brokers	+ 23.85	Gold Mines Index	+ 9.70
Financial Group	+ 22.48	Consumer Group	+ 8.36
Other Groups	+ 22.15	Contracting, Construction	+ 8.70
Textiles	+ 19.93	Discount Houses	+ 7.74
Leisure	+ 19.90	Electricals	+ 6.78
Mining Finance	+ 18.66	Food Manufacturing	+ 6.21
Overseas Traders	+ 17.24	Brewers and Distillers	+ 6.10
Other Consumer	+ 18.65	Stores	+ 3.21
Engineering Contractors	+ 16.84	Food Retailing	+ 1.03
		Tobaccos	+ 0.61

MONTHLY AVERAGES OF STOCK INDICES

—	April	March	February	January
Financial Times				
Government Securities	81.83	80.52	78.68	78.63
Fixed Interest	83.89	82.26	80.41	80.51
Industrial Ordinary	685.6	659.5	646.5	615.6
Gold Mines	628.4	570.1	681.7	688.7
Total Bargains	25,100	24,298	24,749	22,985
F.T.—Actuaries				
Industrial Group	435.82	419.11	412.98	399.95
500 Share	471.29	445.95	438.33	427.51
Financial Group	319.93	310.41	299.24	278.86
All-Share (750)	433.22	412.48	404.79	391.56

	High	Low
Industrial Ordinary	699.0 (27th)	654.0 (5th)
All-Share	441.52 (18th)	412.09 (5th)

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
May 3	May 13	July 28	Aug 8
May 16	May 27	Aug 11	Aug 22
May 31	June 10	Sept 1	Sept 12

For rate indications see end of Share Information Service

Demand for Options improved and calls were taken out in London and Liverpool, John Brown, GEC, London and Provincial Shop Centres, Mettoy, Inter-City, Walter Runciman, Polly Peck, French Kier, First National Finance, Arlen, London Brick, Trident TV A, Premier Oil, Scott and Robertson, Black and Edgington, ICL, Bats, UKO and RHM. Puts were done in Arlen and Dunlop, while doubles were transacted in GEC, Inter-City, First National Finance, Trident TV A and Spong.

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (121)

INTL. BANK (1)
Int Bank 14pc Ln. 1987
FOREIGN BONDS (2)
Ireland 7¾pc '81-'83 Pet. Mex. 14½pc '06
AMERICANS (16)
CANADIANS (3)
Imperial Oil Royal Bank of Canada
Massey Ferguson
NEWSPAPERS (3)
Daily Mail A Utd. Newspapers
News Int.
PAPER (4)
Causton (Sir J.) Ogilvy & Mather
East Lancs Paper Watmough
PROPERTY (2)
Lon. Shop Prop. Mountleigh
SHIPPING (2)
Gotaas-Larsen Ocean Transport
[illegible]
Dover Corp. Widney
Francis Inds.
INSURANCE (2)
Britannic Hogg Robinson
LEISURE (2)
Barr & W.A.T. A Saga Holidays
MOTORS (4)
Volvo Caffyns
A.E. Lex Service

NEW LOWS (16)

[illegible]
Hunting Assoc.
PROPERTY (1)
Wereldhave
TEXTILES (1)
Stroud Riley
TRUSTS (2)
EDITH Kitchen (Robert) Taylor
MINES (1)
Afex

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Bunzl	282	+15	Land Sec	317	− 8
Fitch Lovell	141	− 5	London & Liverpool	280	−10
Glaxo	888	+13	London Brick	158	+ 3
Grand Met	347	− 6	MEPC	217	− 8
ICI	470	− 8	Ocean Transport	103	+ 1
Laing (J.) A	121	+11	Sound Diffusion	272	+14

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
ICI	26	478	+ 4	BAT Inds	15	630	− 5
Lon & Liv	25	290	+35	Pleasurama	15	315	−13
Bellair Cemtcs	19	150	—	Comm Union	14	157	+ 7
Davies & Nwmn	19	180	+30	Glaxo	14	875	− 5
London Brick	17	155	+ 7	Vickers	14	118	−13
Octopus Pub	17	360	—	Bass	13	321	+ 7
Royal Ins	17	545	+13	BP	13	392	+ 2

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Thurs. close	Change on week	Stock	No. of changes	Thurs. close	Change on week
Lon & Liv	189	290	−100	Beecham	77	410	− 3
Glaxo	123	875	−85	Spring Ram	76	132	+27†
ICI	118	478	+10	Combined Tech	70	39xr	−19
BAT Inds	97	630	−20	Plessey	69	605xd	+12
Exco Intnl	95	653	−27	Carpets Intnl	68	62	+11
Arlen Elec	93	365	+10	BICC	67	235	—
GEC	89	232	+ 2	Bio-Isolates	67	205	−15

† Based on placing price of 105p

'Modest cost' of MacGregor gift

A STAINLESS steel and brass chess set, to be given as a farewell present to Mr Ian MacGregor, British Steel Corporation chairman, is being made at a very modest cost by apprentices at BSC's Scunthorpe works, the corporation said.

It denied a claim by Mr Ray Hill, chairman of the Scunthorpe Allied Trades Committee, that the cost of the set would be at least £5,000. It was not anything approaching that sum, it said.

The presentation, the corporation said, was entirely in keeping with similar presentations at Scunthorpe in the past to members of management and trades union officials.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS	Fri April 29 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur April 28 Index No.	Wed April 27 Index No.	Tues April 26 Index No.	Mon April 25 Index No.	Year ago (approx.) Index No.	1983 High	1983 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (206)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Building Materials (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (30)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals (33)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Engineering Contractors (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (66)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (11)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9 Motors (18)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10 Other Industrial Materials (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21 CONSUMER GROUP (201)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Brewers and Distillers (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (21)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27 Health and Household Products (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29 Leisure (24)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 Newspapers, Publishing (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33 Packaging and Paper (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Stores (48)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (22)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39 Other Consumer (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (79)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Chemicals (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Office Equipment (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Shipping and Transport (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Miscellaneous (44)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (486)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (121)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance Brokers (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (13)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (54)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Other Financial (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (109)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (750)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

PRICE INDICES	Fri April 29	Day's change %	Thur April 28	xd adj. today	xd adj. 1983 to date
British Government					
1 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 5-15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Over 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 All Stocks	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Debentures and Loans	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 Preference	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AVERAGE GROSS REDEMPTION YIELDS	Fri April 29	Thur April 28	Year ago (approx.)	1983 Highs	1983 Lows
British Government					
1 Low Coupons 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Low Coupons 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Low Coupons 25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Medium Coupons 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Medium Coupons 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Medium Coupons 25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 High Coupons 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 High Coupons 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9 High Coupons 25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10 Irredeemables	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11 Debs & Loans 5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12 Debs & Loans 15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13 Debs & Loans 25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14 Preference	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p. [illegible]

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
140	F.P.	15/4	145	128	Airship Inds.	128	—	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

INSURANCE & OVERSEAS MANAGED FUNDS

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	64.2	67.6	----	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511.

Money Mngr April 29	58.2	62.1	-0.9	—
M M Flexible April 6	50.3	53.0	+1.4	—
Fixed Interest April 29	53.4	56.3	[illegible]	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent Page Mon-Fri and Stock Exchange Page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	276.0	—	-0.6	—
Invest. Tst. Fd. Acc.	296.9	—	-0.6	*9.8
Property Fund Cap.	117.1	—	+0.1	—
Property Fund Acc.	121.5	—	+0.1	*3.6
Flexible Fund Cap.	180.8	—	-0.2	—
Flexible Fund Acc.	187.6	—	-0.2	*3.3
Fixed Int. Fd. Cap.	138.5	—	----	—
Fixed Int. Fd. Acc.	144.0	—	----	—
Gtd. Deposit Fd. Cap.	137.6	—	----	—
Gtd. Deposit Fd. Acc.	141.9	—	----	—
Equity Fund Cap.	143.7	—	-1.0	—
Equity Fund Acc.	148.8	—	-1.0	—
International Fd. Cap.	137.9	—	----	—
International Fd. Acc.	147.6	—	----	—
Capital Gwth. Fd.	412.3	—	-0.4	—
Moneymaker Fund	164.7	—	-0.2	—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund		282.8	----	—
Property Fund (A)		275.5	----	—
Agricultural Fund		1066.5	----	—
Agric. Fund (A)		1039.8	----	—
Abbey Nat. Fund		224.0	----	—
Abbey Nat. Fd. (A)		223.2	----	—
Investment Fund		133.3	----	—
Investment Fund (A)		131.5	----	—
Equity Fund		40.9	-1.3	—
Equity Fund (A)		398.1	-1.3	—
Money Fund		209.3	----	—
Money Fund (A)		205.7	----	—
Actuarial Fund		206.4	----	—
Gilt-edged Fund		185.8	-0.1	—
Gilt-Edged Fd. (A)		185.8	-0.1	—
Retire Annuity		345.0	----	—
Immed. Annty		194.0	----	—
International Fd.		246.7	+1.0	—

Property Gth Pens & Annuities Ltd

All Wther Ac. Uts.	240.9	253.5	----	—
Inv. Fd. Uts.		266.0	----	—
Pension Fd. Uts.		240.6	----	—
Conv. Pens. Fd.		272.3	----	—
Cnv. Pns. Cap. Ut.		207.6	----	—
Man. Pens. Fd.		321.3	----	—
Man. Pens. Cap. Ut.		254.3	----	—
Prop. Pens. Fd.		270.9	----	—
Prop. Pens. Cap. Uts.		209.1	----	—
Bldg. Soc. Pen. Ut.		240.9	----	—
Bldg. Soc. Cap. Ut.		186.0	----	—
Gilts Pens. Fd.		163.0	-0.5	—
Gilts Pens. Fd. Cap.		145.2	-0.4	—
Equity Pens. Fd.		245.6	-0.6	—

OFFSHORE AND OVERSEAS

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99 13/32	98 13/32	Treasury 9¼pc '83	99 23/32	+ 1/32	9.27	10.10
102	100	Exch. 13½pc '83	101⅞xd	......	13.25	9.92
99	98	Exch. 10pc 1983	99	− ⅛	10.00	10.09
97	96¼	Funding 5½pc '82-84‡‡	97	+ ⅛	5.66	9.86
101¼	99½	Exch. 11¼pc 1984	100⅞	− ⅛	11.15	10.03
104⅝	102½	Exchequer 14pc 1984	103¾xd	+ ⅛	13.50	10.26
94¾	92½	Exch. 3pc 1984	94½	......	3.17	8.18
102	100⅛	Treasury 12pc 1984	102	......	11.71	10.02
107	105⅝	Treasury 15pc 1985	107	......	14.01	10.56
107	101⅛	Exch. 12pc Cnv. '85	104	− ⅛	11.53	9.52
90⅞	88⅝	Treasury 3pc 1985	90⅝xd	......	3.31	8.05
102	99⅝	Treasury 11½pc 1985	101	+ ⅛	11.32	10.67
[illegible]						

Five to Fifteen Years

[illegible]						

Over Fifteen Years

[illegible]						

Undated

[illegible]						

Index-Linked

[illegible]						

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]						

CORPORATION LOANS

[illegible]						

COMMONWEALTH AND AFRICAN LOANS

[illegible]						

LOANS

Public Board and Ind.

[illegible]						

LOANS—Continued

Financial

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
102½	101½	FFI 14pc '83	101¼	− ¼	13.74	10.88
95¾	92	FFI(UK Fn)6½pcDb '81-84	92½xd	......	6.75	11.50
102	96½	Do. 10⅞pc Uns.Ln. '86	101½	......	10.68	11.20
103	96½	Do. 11pc Uns.Ln. '88	102½	......	11.10	11.20
104	97½	Do. 11¾pc Uns.Ln. '90	104	......	11.73	11.70
105½	91½	Do. 12¾pc Un. Ln. 1992	104½	......	12.12	11.90
77½	74½	Do. 7¼pc A Deb '89-92	77½	......	9.76	11.50
76½	70½	Do. 7¼pcADeb. '91-94	74½	......	9.93	11.60
86½	81	Do. 9pc 'A' '91-94	84½	......	10.78	11.65
83¾	72	Do. 6¾pcLn. '92-97	83½	......	10.91	11.10

Building Societies

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
101⅛	100¼	Nat'wide13⅜pc 23.5.83	100¼xd	......	—	—
101⅛	100¼	Do. 13⅞pc 13.6.83	100⅛	......	13.89	10.67
101½	100½	Do. 14pc 4.7.83	100½	......	13.93	10.94
101	100½	Do. 13¼pc 25.7.83	100½	......	13.06	10.91
100½	100	Do. 11⅞pc 15.8.83	100⅛	......	11.86	11.34
100¼	98⅞	Do. 11¼pc 30.8.83	100⅛	......	11.24	10.72
100⅛	99¼	Do. 11⅜pc 3.10.83	100⅛	......	11.33	10.36
99⅝	98	Do. 9⅞pc 31.10.83	99⅝xd	......	9.97	10.68
99⅝	98	Do. 9⅞pc 28.11.83	99⅝xd	......	9.91	10.55
100¼	99⅞	Do. 11¼pc 19.12.83	100⅛	......	11.24	11.08
100¼	99	Do. 11⅞pc 23.1.84	100⅛	......	11.79	10.85
100⅞	100	Do. 11⅞pc 13.2.84	100⅞	......	11.77	10.76

FOREIGN BONDS & RAILS

[illegible]						

AMERICANS

[illegible]						

CANADIANS

[illegible]						

BANKS, H.P. & LEASING

[illegible]						

BANKS—Continued

[illegible]						

Hire Purchase, Leasing, etc.

[illegible]						

BEERS, WINES AND SPIRITS

[illegible]						

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]						

CHEMICALS, PLASTICS

[illegible]						

CHEMICALS, PLASTICS—Cont.

[illegible]						

DRAPERY AND STORES

[illegible]						

ELECTRICALS

[illegible]						

ELECTRICALS—Continued

[illegible]						

ENGINEERING MACHINE TOOLS

[illegible]						

FOOD, GROCERIES, ETC.

[illegible]						

FOOD, GROCERIES—Cont.

[illegible]						

HOTELS AND CATERERS

[illegible]						

INDUSTRIALS (Miscel.)

[illegible]						

INDUSTRIALS—Continued

INSURANCE

LEISURE

LEISURE—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—Continued

Central African

1983 High	1983 Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
300	210	Falcon Rh.50c	250	......	Q25c	10.3	6.0
21	16	Wankie Col. Z$1	21xd	+2	Q5c	ϕ	14.0
28	18	Zam.Cpr.SBD0.24	21	......	—	—	—

Australians

Tins

Miscellaneous

NOTES

REGIONAL AND IRISH STOCKS

OPTIONS

3-month Call Rates

"Recent Issues" and "Rights"

FINANCIAL TIMES

Saturday April 30 1983

MAN IN THE NEWS

Does she really love him?

BY PETER RIDDELL

KENNETH BAKER stands out in the Thatcher administration—as an enthusiastic spender of public money, as a believer in an activist industrial policy, as a former close associate of Edward Heath, and, not least, as the editor of two good anthologies of light verse.

Yet he is clearly thriving, unlike many other ex-Heathmen. As Minister for Information Technology (IT), he was the driving force behind this week's announcements of the go-ahead for cable broadcasting and of a £350m collaborative research programme into super-computers for the 1990s.

Baker has had the essential political gift of fortunate timing. In July 1980 he put forward a 10 point programme for developing IT, including the appointment of a new minister. He sent it to Mrs Thatcher and in January 1981 was appointed to fulfil his own job specification. He has been lucky in that his area—which few understand but almost everyone believes is a good thing—has appeared to offer hope of industrial advance at a time of general economic gloom.


Kenneth Baker

Consequently, Baker has had no real problems in gaining support for his succession of new interventionist initiatives. Mrs Thatcher has strongly backed his activity, she is very conscious of being the first science graduate to become Prime Minister. The result has been a fivefold rise to £250m in Government support for innovation, much less than has been spent on steel, shipbuilding and BL.

None of this appeared in the Tory's 1979 election manifesto—a point which does not seem to trouble Baker. He argues that Britain must be in the forefront of adapting to new information systems. Clearly sensitive to charges of being a wild interventionist, he rejects the idea of the state owning equity in industrial companies, with rare exceptions. Instead, he believes government can use money catalytically.

Baker's approach has three main features. First, there is "creating opportunities"—ending British Telecom's monopoly, granting licences to radio telephones, approving the new Mercury consortium and re-cabling. Second, there is the substantial r and d money for microelectronics, fibre optics etc., justfied both by the need to open up university research to industry and by the example of other countries. Third, there is public purchasing policy. All this is tied in with training in technology—the 150 IT Centres and microcomputers in every secondary school and a third of primary schools.

Baker has achieved all this by being a super-salesman for IT. He is clearly a believer. His Victoria Street office contains, for example, a model of a satellite and he is always rushing off to see new projects. On a U.S. trip he apparently asked for cable to be installed in British consulates he was visiting.

At Westminster, Baker, who is still only 48, is on everybody's list of possible promotions to the Cabinet after the election. But he is perhaps a little too smooth and flamboyant for some staider Tory backbenchers. And the Tory right still suspect his "wettish" views. So there may be limits to his rise under the Thatcher regime. But even his critics recognise his activity. The irony of Baker is likely to be ... gone from his present job ... anyone can judge ... doubters are ... prospects for ... new projects.

UK has £556m surplus in March

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

BRITAIN'S CURRENT account of the balance of payments recovered sharply in March to a surplus of £556m, compared with a substantial deficit in January and only a small surplus in February.

According to Trade Department figures issued yesterday the March improvement reflected a rise in exports to a record value of £5.3bn and a reduction of imports compared with the exceptionally high levels reported for the first two months of the year.

The UK's trading performance for the past six months has been strongly underpinned by the oil trade, on which a fairly steady surplus has been earned, averaging £575m per month, for the period.

The figures for trade in goods other than oil have been much more variable and are notoriously difficult to interpret.

A surge of imports of non-oil goods in January and February—up 8 per cent compared with the average volume for 1982, however, was thought to reflect some deceleration of the rate at which companies' stocks were being run down.

BALANCE OF PAYMENTS, CURRENT ACCOUNT

£m seasonally adjusted

	Current Balance	Visible Balance		Invisible Balance
		Oil	Non-Oil	
1981	+5961	+3112	− 242	+3091
1982	+3948	+4605	−2377	+1720
1981 Q4	+1352	+ 748	− 355	+ 959
1982 Q1	+ 589	+ 698	− 464	+ 355
Q2	+ 803	+ 858	− 735	+ 680
Q3	+ 847	+1313	− 704	+ 238
Q4	+1709	+1736	− 474	+ 447
1983 Q1	+ 287	+1718	−1971	+ 540

In response to the unexpectedly strong pick-up in consumer demand at the end of last year companies are thought to have ordered more supplies from abroad.

The volume of non-oil imports, however, fell back in March to a level slightly higher than the average for the last quarter of last year. The level of imports in this first quarter was 6 per cent higher than the average for last year.

Non-oil exports in this first quarter ran at about the same level as the average for last year, although in March they were 2½ per cent above the average volume for last year.

In the past six months the volume of non-oil exports was about 2½ per cent higher than in the previous six months. This is broadly consistent with the evidence of the recent Confederation of British Industry quarterly survey of manufacturing industry, which suggested export orders were improving, although the time-scale for the survey was somewhat different.

Yesterday's figures suggest a wide variation in the pattern of exports, with a 4 per cent improvement in chemical exports in the first quarters of the year compared with the average for 1982. Exports of passenger cars, however, fell by 5 per cent, compared with the average volume for 1982.

Conversely, car imports were 6 per cent higher in volume in this first quarter compared with last year's average. Imports of manufactured goods as a whole were 4 per cent higher in this first quarter compared with the average for last year.

Total exports to the European Community rose in value by 8 per cent in this first quarter compared with the average for last year. Exports to the EEC countries now account for about 45 per cent of Britain's total exports, compared with just under 40 per cent in 1981.

Yesterday Lord Cockfield, the Trade Secretary, said of the March trade figures: "This is a splendid export performance. At £5.25bn it is the highest monthly export figure ever recorded in value, and the second-highest in volume. There has been a healthy increase in exports of manufactured and other goods as well as oil."

Foreign exchange intervention 'has role'

BY STEWART FLEMING IN WASHINGTON

A WIDE-RANGING study of official foreign exchange market intervention, ordered by heads of state at last year's Versailles summit, has concluded that intervention can be an effective tool for influencing exchange rate behaviour in the short run.

It says, however, that attempts to pursue exchange rate objectives which are inconsistent with fundamental economic trends tend to be counter-productive.

A summary of the main conclusions of the study, headed by M Philippe Jurgensen of the French Treasury, was published yesterday as finance ministers of the seven leading industrial countries met for talks.

It is uncertain whether the study and the talks, which lead up to the Williamsburg economic summit next month, will have a major impact on the widely differing policies which Western governments have on official central bank intervention.

The Reagan Administration has been committed to a free-market "hands-off" approach to the foreign exchange market. It has intervened rarely over the past three years, backing away from the more active stance employed by the Federal Reserve Board and the U.S. Treasury under President Jimmy Carter.

The U.S. Treasury has indicated that it is not planning any fundamental change in this position. In a speech to foreign exchange traders in New York on Thursday night, however, Mr Paul Volcker, the Fed chairman, said he believed official intervention did have a modest role to play in currency markets.

He expected a sensible accord to emerge on this issue among the seven industrial countries, he said.

Such an accord is unlikely to satisfy French pressures for a much bigger role for intervention as a way of curbing tha strength of the dollar.

Recent comments from officials in the U.S., Britain and West Germany have made clear there is no support for a major expansion in intervention activity.

The working party firmly rejects the idea that intervention alone can play a role in achieving exchange rate targets which are inconsistent with fundamental economic trends.

"Attempts to pursue exchange rate objectives which are inconsistent with the fundamentals through intervention alone tended to be counter-productive," the report says.

In what may be read as a veiled hint to the French Government, the report says that although intervention has occasionally been useful in "buying time," in circumstances where governments were aware of a clash between their domestic economic and their exchange rate goals, buying time had occasionally been useless or counter-productive in the absence of appropriate economic policy changes.

Intervention aimed at ironing out short-term fluctuations in the markets, or countering what are seen to be disorderly market conditions, has been effective, the report says.

It adds, however, that different governments have widely different interpretations of when markets are "disorderly."

It also says intervention has been effective in narrowing the spread between bid and offer prices in the market and in reducing fluctuations in a single day.

It says, however, that intervention tends to be most effective when monetary authorities do not offset the domestic monetary repercussions of the intervention.

Scottish court hinders Throgmorton

BY CLIVE WOLMAN

THE MANAGERS of Pentland Investment Trust, which is based in Edinburgh, yesterday mobilised the full weight of the Scottish legal apparatus to ward off one stratagem by bowler-hatted predators from south of the border, who have come within a hair's breadth of winning control of their assets.

The Court of Session in Edinburgh ordered the managers of the Throgmorton Trust to cease publication of two statements which, it was claimed, would mislead Pentland shareholders whom Throgmorton is wooing.

Throgmorton had announced this week that it had secured control of 45.75 per cent of Pentland shares, in a five-week battle which has aroused Scottish national sentiment.

The two statements at issue which Throgmorton has made repeatedly, concern the market value of the shares the suitor organisation is offering as a bait to Pentland shareholders, and the costs of stamp duty Pentland would have to meet if its own counter-proposals were accepted.

Lord Kincraig, the Session judge, was presented with a set of arcane mathematical calculations and market evaluations from the stockbroker, De Zoete and Bevan. He then agreed to issue against Throgmorton an interim interdict, which is the Scottish equivalent of an injunction.

A spokesman for the merchant bank, Morgan Grenfell, which is advising Pentland, said that it applied to a Scottish rather than an English, court because it believed that procedural differences would facilitate its case there. The Thorogmorton Trust was not represented in court and a spokesman for it declined to comment last night.

Continued from Page 1

Clampdown

have become increasingly disturbed by these developments, which they regard as unfair competition, and by the time taken by the Revenue to react. The associations have been pressing the Government to clarify the position as each new tax-avoidance scheme has appeared.

In the case of capital and income bonds the associations have sought clarification from Mr Ridley for about a year. Last night they welcomed the Government's action, which will also apply if further capital is injected into existing bonds.

Spanish pledge

Continued from Page 1

total deficit would be more than Pta 200bn.

Sr Ruiz-Mateos has told the Financial Times he had an agreement with Prime Minister Felipe Gonzales to work with the Socialist Government to create 50,000 new jobs through Rumasa. Sr Ruiz-Mateos claims to have reached this agreement before Sr Gonzales took office.

In Madrid last night, Sr Eduardo Sotillos, tha Spanish governmant spokesman, denied that the Prime Minister had at any tima made any kind of pact or agreement with Sr Ruiz-Mateos.

After consulting the Prime Minister yesterday, he dismissed tha accusations as "falae from top to bottom." He said, however, that Sr Ruiz-Mateos had "more than once" contacted Sr Gonzales before last year's elections, promising to create 50,000 jobs.

Hong Kong appoints inspectors to investigate Carrian group

BY ANDREW FISHER IN HONG KONG

AN OFFICIAL investigation is to be made into the tangled affairs of Carrian, the Hong Kong group which invested heavily in property, shipping and other sectors and then came financially unstuck when property and share markets plunged here last year.

The colony's Securities Commission announced yesterday that two inspectors had been appointed to look into Carrian and all its subsidiary, associated and related companies.

The Carrian group's debts total the equivalent of U.S.$900m (£...). News of its lack of liquidity came last October and shares in the quoted companies of the group were suspended on the Hong Kong stock exchange in January.

Banks involved with the group have been engaged since the start of the year in attempts to rescue it. Ships have been sold, banks have been pressed to convert some of their debt into equity and the group has been trying to shed its interests in taxis, its holdings in Honk Kong insurance and banking companies, and in properties here and outside the colony.

The two inspectors appointed by the commission—Mr Robert Tang, a barrister, and Mr Michael Johnson, an accountant—are already looking into the affairs of EDA Investments, the property company now being wound up after it became unable to pay its debts.

The Securities Commission said the probe into EDA had shown "such a degree of interaction between the companies and certain individuals that it is considered that the speed of the inquiry, and the general benefit to be derived from it, requires that the same inspectors should be appointed." It did not elaborate, but certain people are understood to have been concerned in share dealing which involved both companies.

Latest attempts to rescue Carrian have been expressed by efforts to persuade creditor banks to convert debt into equity in the subsidiary Carrian Investments Ltd (CIL).

However, some banks have demurred and the future of tha group remains in considarable doubt. Mora progress has been made in easing the heavy debt burden of Grand Marine, which Carrian bought in 1981 and built into the colony's fourth-biggest fleet. Its debts amount to $260m, after sale of 20 ships to the original owners.

Negotiations to sell eight more ships to a consortium of Hong Kong and Norwegian interests, Pacnorse, are said by bankers to be well advanced. Such a sale would reduce debt by nearly a further $100m. Pacnorse is owned by the Jebsen group of Norway and Wheelock Maritime of Hong Kong.

When Carrian started its ambitious property and othar deals in the colony in 1980, its glamorous image was heightened by speculation about who owned it.

It is headed by Mr George Tan, who moved into Mai Hon Enterprises in late-1979, changed its name to Carrian Investments and propelled it to prominence in 1980. The identity of Carrian's controlling shareholders is hidden by a nominee company. Talk about who owns it has died down lately. The group is thought to be the creation of Mr Tan himself.

The colony's rules on disclosure of shareholdings, and of the details of deals in major assets, are not rigorous. However, tha affairs of EDA and Carrian could lead to attempts to strengthen them, a senior Securities Commission official hinted recently.

THE LEX COLUMN

Make or break for Harrods

Next week's proxy battle between Lonrho and the majority of the House of Fraser board looks at this stage even more finely balanced than their previous encounters. After weeks in which shareholders have been inundated with enough paper to fill Harrods from top to bottom, the issue could still be turned by a single institution.

For the first time in this interminable history, shareholders have also been presented with an important and difficult choice which has been debated at a level above commercial slapstick. Ironically, the risk may now be that discussion of how to depreciate incremental investment at a House of Fraser outlet in Bradford obscures the more fundamental issues.

The commercial merit or demerit of separating Harrods from the rest of House of Fraser is something on which institutions will presumably make their own judgement. It is far from easy to balance the effect on morale within the group and the loss of buying power which would result from a demerger against the additional disciplines on a management which, in the present climate of hostility, would find it hard to run a country milk-round properly.

In abstract, the demerger might reasonably be expected to enhance very slightly the aggregate value of the separate companies. But, in the present circumstances, that kind of debate misses the point. At present, the House of Fraser share price carries no bid premium because the only people in a position to buy the company are prevented from doing so. More probably, the price contains an element of harrassment discount which results from Lonrho's stubborn presence.

On a demerger, both companies would immediately be valued as bid candidates. This would of course increase their paper value to shareholders but anyone who voted for this course should do so on the clear understanding that the days of Harrods or Fraser as independent retailing entities would probably be numbered.

It is not, for example, entirely far-fetched to suppose that Lonrho might, in the interests of all shareholders, feel obliged to make an offer for Harrods which could be funded in part by the placement of its Fraser stock with parties interested in acquiring high street assets.

The alternative, of course, is to provide House of Fraser with enough breathing space to develop the trading strategy which now forms the main plank of its defence. Fraser's trading record was extremely undistinguished throughout the 1970's—though no worse than several other department store groups—and its projections of returns on the new capital to be employed will hardly guarantee the shares a place in growth portfolios.

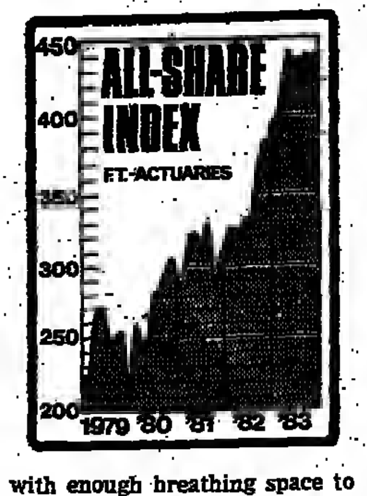
The presence of Harrods in the trading portfolio may be a luxury during a period of transition but it would be unreasonable to expect a demerger merely in order to intensify the heat on Fraser's management. There is quite enough warmth radiating from Cheapside as it is and institutions have not so far been calling for a break-up of Sears Holdings just because Selfridges generates cash and the Lewis's department stores eat it up.

There is clearly a danger that the pressure on the Fraser management and the recognition that the best way out of its predicament is to bump up trading returns at the double will lead it to make hurried and ill-judged retailing decisions. Moreover, in the present climate, it will almost certainly find it hard to attract the top quality retailing expertise in which the group as a whole is still deficient.

It is also a cast-iron certainty that Lonrho would keep its artillery in place while the management work was done. Having no perceptible trading strategy of its own, Lonrho is taking a particular interest in Fraser's. But for investing institutions to be swayed by the external difficulties facing the Fraser management would be to neglect their more general responsibility as shareholders.

On a short-term stock market trading view, there is a sound argument for voting in favour of demerger at next week's meeting. But, on any broader criteria, the separation of Harrods looks—at the very least—premature.

Index fell 1.5 to 695.3



AT and T

UK shareholders in AT and T have been hanging on the decision of the Inland Revenue on how it will treat the proposed demerger of the company. The U.S. group—the largest in the world in terms of assets—plans this year to strip out seven regional divisions into separate companies, with common stock to be distributed to existing shareholders. In the U.S. the move will have no adverse tax consequences. But there is no guarantee that this will be the case in the UK, where some 12m shares—worth about $800m—are estimated to be held. Given the complexity of the tax rules, holders have not been sure whether the demerger will produce an income tax liability, a capital gains tax liability—or no liability at all.

One of the company's U.S. brokers, E. F. Hutton, has been spearheading the campaign to clarify the position, and the Revenue has been responding commendably fast. This week it wrote a letter—being circulated to UK shareholders today—stating that it accepted that the demerger represented a capital rather than an income distribution. To this point, therefore, it has accepted the U.S. interpretation of the position. This will provide complete relief to investment trusts and unit trusts, which would have been vulnerable to an income tax assessment, but which are not liable to capital gains tax. Pension funds and charities are off the hook either way, since they are not liable to either tax. So the two classes of shareholder that remain vulnerable are the insurance companies and private individuals.

The Revenue has still to make up its mind how to treat the capital distribution, and is expected to reach a conclusion in the next week or so. The best outcome from the point of view of shareholders would be to roll over the CGT liability. But there remains a strong chance that the issue of the new stock will crystallise a liability on past gains. On that basis, if the new shares assume a value of, say, 50 per cent of the total, shareholders will find themselves facing a CGT bill on half the run-up in the shares' value since they were acquired. A last-ditch defence against this possibility would have to be an amendment to the Finance Bill.

Weather

UK TODAY

SUN and showers.

E, NE England, Borders, Edinburgh, Dundee, Aberdeen and Moray Firth areas, NE Scotland, Orkney, Shetland

Early mist, sun, showers, rain later. Max 15C (59F).

Rest of country

Dull start, then brighter, showers. Max 11C (52F).

Outlook: unsettled.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	18	64	Luxmbg.	F	13	55
Algiers	C	18	64	Madeira		—	—
Amsdm.	C	12	54	Madrid	F	18	64
Athens	S	24	75	Majorca	S	18	64
Bahrain		—	—	Malaga	S	20	68
Barcina.	F	18	81	Malta	S	20	68
Bairut	S	26	79	M'chstr	C	9	48
Belfast	R	9	48	Melbne.		—	—
Belgrd.	S	27	81	Mx. C.†		—	—
Berlin	R	18	51	Miami†	S	21	70
Biarritz	S	20	68	Milan	C	15	59
Bmghm.	F	13	55	Montrl.†	C	11	52
Blackpl.	F	9	48	Moscow	C	17	63
Bombay		—	—	Munich	R	13	55
Bordx.	F	18	66	Nairobi		—	—
Boulgn.	F	10	50	Naples	S	23	73
Bristol	R	13	55	Nassau		—	—
Brussels	F	15	59	Nwcstl.	R	7	45
Budpst.	F	25	77	N Delhi		—	—
Cairo		—	—	N. York	F	20	68
Cardiff	F	14	57	Nice	S	18	64
Cape T.		—	—	Nicosia	S	27	81
Chicg.†	S	8	43	Oporto	F	15	59
Cologne	F	14	57	Oslo	R	6	43
Cpnhgn.	S	18	81	Paris	F	16	61
Corfu	S	27	81	Peking		—	—
Dallas†	C	22	72	Perth		—	—
Dublin	R	9	48	Prague	F	18	64
Dbrvnk.	S	24	75	Rykjvk.	S	6	43
Ednbgh.	C	7	45	Rhodes	S	24	75
Faro	C	18	64	Rio J'o†		—	—
Florence	F	24	75	Rome	S	22	72
Frankft.	F	15	59	Salzbrg.	C	13	55
Geneva	F	14	57	S'ciscot	S	11	52
Gibrltr.	F	17	63	Singapr.		—	—
Gl'sg'w	C	9	48	S'tiago†		—	—
G'nsey	F	11	52	Stckhm.	C	9	48
Helsinki	C	5	41	Strasbg.	F	17	63
H. Kong		—	—	Sydney		—	—
Innsbrk.	C	16	61	Tangier	F	19	66
Invrnss.	C	8	46	Tel Aviv		—	—
I.o.Man	R	8	46	Tenerife	S	22	72
Istanbul	S	25	77	Tokyo		—	—
Jersey	F	13	55	T'r'nto†	S	5	43
Jo'burg		—	—	Tunis	S	22	72
L. Pims.	F	20	68	Valencia	F	17	63
Lisbon	F	13	55	Venice	F	19	66
Locarno	R	10	50	Vienna	F	20	68
London	C	14	57	Warsaw	S	20	68
L. Ang.†	R	15	59	Zurich	R	15	59

C—Cloudy. F—Fair. R—Rain. S—Sunny.
† Noon GMT temperatures.